

EDEN DISTRICT MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2017



EDEN DISTRICT MUNICIPALITY

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EDEN DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

GENERAL INFORMATION

NATURE OF BUSINESS

Eden District Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Eden District Municipality includes the following municipalities:

*Bitou Municipality
George Municipality
Hessequa Municipality
Kannaland Municipality
Knysna Municipality
Mossel Bay Municipality
Oudtshoorn Municipality*

ACCOUNTING OFFICER

Mr. M.G Stratu

CHIEF FINANCIAL OFFICER

Miss. L. Hoek

REGISTERED OFFICE

54 York Street, George, 6529

AUDITORS

Office of the Auditor General (WC)

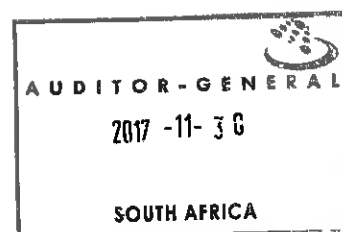
PRINCIPAL BANKERS

Standard Bank, George



RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALGBC Leave Regulations



EDEN DISTRICT MUNICIPALITY

MEMBERS OF THE EDEN DISTRICT MUNICIPALITY

COUNCILLORS

Proportional		<i>Ms. T Fortuin</i>
Proportional		<i>Mr. S de Vries</i>
Proportional		<i>Ms. NF Kamte</i>
Proportional		<i>Mr. MP Mapitza</i>
Proportional		<i>Ms. D Xego</i>
Proportional		<i>Ms. CN Lichaba</i>
Proportional		<i>Ms. T van Rensburg</i>
Proportional		<i>Ms. S May</i>
Proportional		<i>Mr. RE Spies</i>
Proportional		<i>Mr. M Booysen</i>
Proportional		<i>Mr. KS Lose</i>
Proportional		<i>Mr. D Saayman</i>
Proportional		<i>Mr. BN van Wyk</i>
Proportional		<i>Mr. AJ Rossouw</i>
Representative:	George Municipality	<i>Ms. T Teyisi</i>
Representative:	George Municipality	<i>Mr. PJ van der Hoven</i>
Representative:	George Municipality	<i>Mr. I Stemela</i>
Representative:	George Municipality	<i>Ms. EH Stroebel</i>
Representative:	George Municipality	<i>Mr. RS Figland</i>
Representative:	George Municipality	<i>Mr. V Gericke</i>
Representative:	Mossel Bay Municipality	<i>Mr. BHJ Groenewald</i>
Representative:	Mossel Bay Municipality	<i>Ms. E Meyer</i>
Representative:	Mossel Bay Municipality	<i>Ms. RH Ruiters</i>
Representative:	Mossel Bay Municipality	<i>Mr. SS Mbandezi</i>
Representative:	Oudtshoorn Municipality	<i>Mr. JJC Lambaatjeen</i>
Representative:	Oudtshoorn Municipality	<i>Mr. RR Wildschut</i>
Representative:	Oudtshoorn Municipality	<i>Mr. K Windvogel</i>
Representative:	Knysna Municipality	<i>Mr. L Tyokolo</i>
Representative:	Knysna Municipality	<i>Mr. MS Willemse</i>
Representative:	Knysna Municipality	<i>Mr. MV Molosi</i>

COUNCILLORS (Continued)

Representative:	Hessequa Municipality	<i>Mr. SM Odendaal</i>
Representative:	Hessequa Municipality	<i>Mr. IT Mangaliso</i>
Representative:	Bitou Municipality	<i>Ms. NC Jacob</i>
Representative:	Bitou Municipality	<i>Ms. N Ndayi</i>
Representative:	Kannaland Municipality	<i>Ms. JP Johnson</i>

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2017, which are set out on pages 1 to 84 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2017 and is satisfied that the Municipality can continue in operational existence for the foreseeable future. As part of austerity interventions employed by the District Municipality, a Funding Research Initiative ahs been comissioned. Progress thus far has been positive and the aim of the initiative is to convince National Treasury that the current funding model for District Municipalities are not sustainable.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr. M.G Stratu
Accounting Officer

Date



EDEN DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

NET ASSETS AND LIABILITIES		2017 R (Actual)	2016 R (Restated)
	Note		
Net assets		269 148 016	256 194 034
Capital replacement reserve	2	27 728 373	24 675 638
Accumulated Surplus/(Deficit)	2	241 419 643	231 518 396
Non-current liabilities		139 881 981	139 752 007
Non-Current Employee Benefits	4	136 939 701	137 152 652
Non-Current Provisions	5	2 942 280	2 599 355
Current liabilities		44 578 242	58 163 457
Current Employee Benefits	6	28 068 286	25 643 306
Provisions	7	759 167	2 375 823
Trade and Other Payables from Exchange Transactions	8	11 215 908	12 653 795
Unspent Transfers and Subsidies	9	4 534 880	17 489 363
Operating Lease Liability	18	-	1 170
Total Net Assets and Liabilities		453 608 238	454 109 497
ASSETS			
Non-current assets		288 842 511	286 477 805
Property, plant & equipment	11	143 928 281	140 978 089
Investment Property	12	85 532 767	85 644 952
Intangible Assets	13	1 819 116	1 851 194
Investments	14	26 027	26 027
Employee Benefits	4	57 536 320	57 977 544
Current assets		164 765 727	167 631 689
Inventory	15	3 131 451	3 365 246
Trade receivables - Exchange transactions	16	5 487 669	3 415 421
Other receivables - Non exchange transactions	17	6 585 896	1 874 151
Operating Lease Asset	18	32 445	57 256
VAT Receivable	10	2 751 044	33 045
Unpaid Transfers and Subsidies	9	252 622	294 510
Employee Benefits	4	3 805 368	3 195 074
Cash and Cash Equivalents	19	142 719 233	155 396 986
Total Assets		453 608 238	454 109 497



EDEN DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

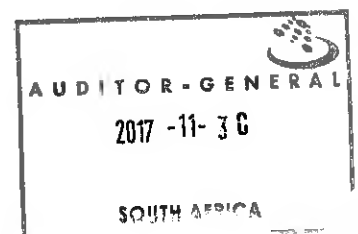
	Note	2017 (Actual) R	2016 (Restated) R	Correction of error R	2016 (Previously reported) R
REVENUE		Total			Total
Revenue from Non-Exchange Transactions		152 095 499	160 848 718	531 531	160 317 187
Transfer Revenue		147 546 786	160 337 187	20 000	160 317 187
Regional Services Levies Equitable Share	20	-	-	(138 902 000)	138 902 000
Government grants and subsidies	20	147 546 786	160 337 187	138 922 000	21 415 187
Other Revenue		4 548 713	511 531	511 531	-
Actuarial Gains		4 548 713	482 685	482 685	-
Contributed Property, Plant and Equipment		-	28 846	28 846	-
Revenue from Exchange Transactions		187 586 111	187 095 036	(958 302)	188 053 338
Actuarial Gain	34	-	-	(482 685)	482 685
Contributed PPE		-	-	(28 846)	28 846
Contribution Shop Steward		-	-	(602 999)	602 999
Department of Transport - Roads Service Charges	21	159 611 440	160 732 598	-	160 732 598
Sale of Goods and Rendering of Services	22	11 298 390	11 529 501	11 529 501	-
Rental from Fixed Assets		650 151	1 282 978	-	1 282 978
Decrease in provision for Impairment of Trade Receivables	16 & 17	-	-	-	-
Decrease in provision for Alien Vegetation	5	-	-	(454 305)	454 305
Interest earned - external investments	19	12 926 667	10 792 549	-	10 792 549
Interest earned - outstanding debtors		1 176 588	1 106 479	-	1 106 479
Licenses and permits		215 028	122 064	-	122 064
Other income	24	-	-	(12 392 256)	12 392 256
Stock gains	15	-	-	(55 579)	55 579
Operational Revenue	23	1 707 847	1 528 867	1 528 867	-
Total Revenue		339 681 609	347 943 754	(426 771)	348 370 525
EXPENDITURE					
Employee related costs	25	110 028 891	106 381 722	(0)	106 381 722
Employee related costs - Roads	26	63 017 771	60 440 070	-	60 440 070
Remuneration of Councillors	27	9 421 247	7 702 185	(83 536)	7 785 720
Bad Debts Written Off		3 937 518	1 274 348	1 274 348	-
Impairment of Trade Receivables		-	-	(7 817 253)	7 817 253
Actuarial Loss	41	-	119 120	-	119 120
Increase/(Decrease) in Provision for Alien Vegetation	5	-	-	-	-
Depreciation and Amortisation	28	3 032 190	3 290 416	491 710	2 798 706
Amortisation	13	-	-	(479 510)	479 510
Repairs and maintenance	29	-	-	(3 900 347)	3 900 347
Finance Cost	30	8 496	199 503	-	199 503
Contracted services	31	30 347 848	27 150 036	18 719 521	8 430 515
Operating Leases		704 085	409 706	409 706	-
Roads - Operating Expenditure	32	81 432 041	84 758 840	-	84 758 842
Transfers and Subsidies	33	1 314 907	824 882	824 882	-
Unamortised Discount - Interest	3	-	9 410	-	9 410
Loss on disposal of property, plant and equipment	11	-	-	(163 113)	163 113
Operational Costs	34	22 702 707	21 319 900	21 319 900	-
General Expenses	35	-	-	(36 738 831)	36 738 831
Total Expenditure		325 947 701	313 880 138	(6 142 522)	320 022 661
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		13 733 909	34 063 615	5 715 751	28 347 864
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		1 110	55 579	55 579	-
(Impairment Loss)/Reversal of Impairment Loss on Receivables	36	(438 645)	(6 073 053)	(6 073 053)	-
Gains/(Loss) on Sale of Fixed Assets	37	(288 960)	(123 259)	(123 259)	-
(Impairment Loss)/Reversal of Impairment Loss on Fixed Asset	38	(73 431)	-	-	-
SUPRLUS / (DEFICIT) FOR THE YEAR		12 953 983	27 922 883	(424 982)	28 347 864

Refer to the Statements of Comparison of budget and actual amounts for explanation of variances



EDEN DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>Capital Replacement Reserve</u>	<u>Accumulated Surplus/(Deficit)</u>	<u>Total</u>
	R	R	R
2016			
Balance at 1 July 2015	21 370 360	207 091 345	228 461 705
Correction of error (Note 33)	-	(190 555)	(190 555)
Changes in accounting policy	-	-	-
Restated Balance	21 370 360	206 900 790	228 271 150
Surplus/(deficit) for the year		27 922 883	27 922 883
Corrections	-	-	-
Purchase of Property, Plant and Equipment	-	-	-
Purchases of Property, Plant and Equipment	(1 414 975)	1 414 975	-
Contribution to Capital Replacement Reserve	4 720 262	(4 720 262)	-
Depreciation and amortisation transferred	3 278 216		
Purchases of Property, Plant and Equipment from own funds	1 414 975		
Car ports	27 061		
Transfers from Accumulated Surplus	-	-	-
Balance at 30 June 2016	24 675 638	231 518 396	256 194 033
Surplus/(deficit) for the year		12 953 983	12 953 983
Purchases of Property, Plant and Equipment	(5 820 635)	5 820 635	-
Contribution to Capital Replacement Reserve	8 873 371	(8 873 371)	-
Depreciation and amortisation transferred	3 032 189		
Purchases of Property, Plant and Equipment from own funds	5 820 634		
Car ports	20 548		
Balance at 30 June 2017	27 728 373	241 419 843	12 953 983



EDEN DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 R	2016 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Other receipts		154 745 793	190 485 511
Government - operating		147 546 780	159 793 113
Government - capital		-	544 074
Interest		14 103 255	11 899 028
Payments			
Suppliers and employees		(322 715 504)	(312 047 766)
Finance charges	30	(8 496)	(199 503)
Cash generated/(absorbed) by operations	42	(6 328 171)	50 474 457
NET CASH FROM OPERATING ACTIVITIES		(6 328 171)	50 474 457
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(5 820 635)	(1 959 050)
Proceeds on disposal of property, plant and equipment		-	1 349
Additions to Investment Properties		-	-
Decrease / (Increase) in intangible assets	13	(359 876)	(29 230)
Decrease / (Increase) in employee benefits receivables		(169 070)	(3 491 474)
Decrease / (Increase) in non-current investments		-	-
Decrease / (Increase) in Discontinued Operations		-	-
Decrease in call investment deposits		-	-
NET CASH FROM INVESTING ACTIVITIES		(6 349 581)	(5 478 406)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Long term liabilities		-	(681 793)
Increase/(Decrease) in Liabilities associated with Discontinued Operations		-	-
Increase in funds and reserves		-	-
NET CASH FROM FINANCING ACTIVITIES		-	(681 793)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(12 677 753)	44 314 259
Cash and cash equivalents at the beginning of the year		155 396 986	111 082 727
Cash and cash equivalent at the end of the year	43	142 719 233	155 396 986

EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

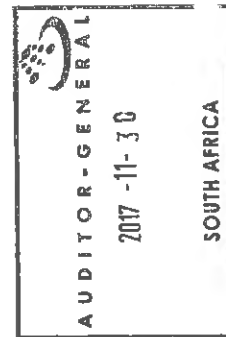
	2017 R	2017 R	2017 R (Final Adjustment Budget)	2017 R (Shifting of Funds)	2017 R (Virement)	2017 R (Final Budget)	2017 R (Actual)	2017 % Actual Outcome as % of Final Budget
	(Approved Budget)	(Adjustments)						
ASSETS								
Current assets								
Cash	148 557 000	(20 000 000)	128 557 000	-	-	128 557 000	142 588 802	9.89%
Call investment deposits	1 000	-	1 000	-	-	1 000	150 831	99.94%
Consumer debtors	14 898 000	-	14 898 000	-	-	14 898 000	3 834 486	-821.50%
Other Receivables	5 002 000	-	5 002 000	-	-	5 002 000	11 676 186	56.79%
Current portion of long-term receivables	2 757 000	-	2 757 000	-	-	2 757 000	3 805 368	27.55%
Inventory	3 851 000	-	3 851 000	-	-	3 851 000	3 131 451	-22.95%
Total current assets	175 066 000	(20 000 000)	155 066 000	-	-	155 066 000	184 786 727	
Non current assets								
Long-term receivables	62 293 000	-	62 293 000	-	-	62 293 000	57 630 320	-8.27%
Investments	28 000	-	28 000	-	-	28 000	26 027	0.10%
Investment property	85 712 000	-	85 712 000	-	-	85 712 000	85 532 767	-0.21%
Property, plant and equipment	141 797 000	-	141 797 000	-	-	141 797 000	143 028 281	1.48%
Biological Assets	-	-	-	-	-	-	-	0.00%
Intangible Assets	2 101 000	-	2 101 000	-	-	2 101 000	1 819 116	-15.50%
Heritage Assets	-	-	-	-	-	-	-	0.00%
Total non current assets	291 823 000	-	291 823 000	-	-	291 823 000	288 843 511	
TOTAL ASSETS	466 889 000	(20 000 000)	446 889 000	-	-	446 889 000	473 630 238	
LIABILITIES								
Current liabilities								
Borrowing	-	-	-	-	-	-	-	0.00%
Trade and other payables	38 008 000	17 002 005	55 008 005	-	-	55 008 005	15 750 788	-256.16%
Provisions and Employee Benefits	3 137 000	-	3 137 000	-	-	3 137 000	28 827 463	80.12%
Total current liabilities	42 145 000	17 002 005	59 235 005	-	-	59 235 005	44 578 242	
Non current liabilities								
Provisions and Employee Benefits	137 202 000	-	137 202 000	-	-	137 202 000	139 861 881	1.02%
Total non current liabilities	137 202 000	-	137 202 000	-	-	137 202 000	139 861 881	
TOTAL LIABILITIES	179 347 000	17 002 005	196 437 005	-	-	196 437 005	184 440 123	
NET ASSETS	287 542 000	(37 002 005)	250 557 995	-	-	250 557 995	289 190 116	
COMMUNITY WEALTH								
Accumulated Surplus/(Deficit)	268 280 000	(20 001 000)	248 279 000	-	-	248 279 000	241 419 643	-2.01%
Reserves	21 370 000	-	21 370 000	-	-	21 370 000	27 728 573	22.93%
TOTAL COMMUNITY WEALTH/EQUITY	289 650 000	(20 001 000)	269 649 000	-	-	269 649 000	269 148 216	



EDEN DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2017 R	2017 R	(Adjustments)	2017 R (Final Adjustment Budget)	2017 R (Shifting of Funds)	2017 R (Virement)	2017 R (Final Budget)	2017 R (Actual)	2017 % Actual Outcome as % of Final Budget
REVENUE BY SOURCE									
Rental of facilities and equipment	1 424 332	-	-	1 424 332	-	-	1 424 332	650 151	-119.08%
Interest earned - external investments	7 973 700	2 800 000	-	10 773 700	-	-	10 773 700	12 926 667	16.86%
Interest earned - outstanding debtors	799 484	-	-	799 484	-	-	799 484	1 176 588	32.05%
Licences and permits	155 000	-	-	155 000	-	-	155 000	215 028	27.92%
Agency services	14 500 000	500 000	-	15 000 000	-	-	15 000 000	15 161 628	1.07%
Transfers Recognised - Operational	146 708 000	-	-	146 708 000	-	-	146 708 000	147 546 786	0.57%
Contributed PPE	-	-	-	-	-	-	-	-	0.00%
Other revenue	143 347 582	15 528 252	-	158 875 834	-	-	158 875 834	162 005 872	1.93%
Gains on disposal of PPE	-	-	-	-	-	-	-	-	0.00%
Total Operating Revenue	314 908 098	18 828 252		333 736 350			333 736 350	339 682 719	1.75%
EXPENDITURE BY TYPE									
Employee related costs	105 720 414	373 069	-	106 093 483	-	-	106 093 483	110 028 891	3.58%
Employee related costs - Department of Transport	-	-	-	-	-	-	-	63 017 771	100.00%
Remuneration of councillors	8 448 061	(603 854)	-	7 844 207	-	-	7 844 207	9 421 247	16.74%
Debt impairment	1 060 000	-	-	1 060 000	-	-	1 060 000	4 376 163	75.78%
Depreciation & asset impairment	4 086 778	(416 808)	-	3 669 970	-	-	3 669 970	3 105 621	-18.17%
Finance charges	-	-	-	-	-	-	-	8 496	0.00%
Contracted services	11 213 625	6 484 280	-	17 697 905	-	-	17 697 905	30 347 848	41.68%
Transfers and Grants	-	-	-	-	-	-	-	1 314 907	100.00%
Other expenditure	336 578 614	(125 923 262)	-	210 655 353	-	-	210 655 353	104 838 833	-100.93%
Loss on disposal of PPE	-	-	-	-	-	-	-	288 960	100.00%
Total Operating Expenditure	467 107 493	(120 086 574)		347 020 918			347 020 918	326 728 737	-6.21%
Operating Surplus/(Deficit) for the year	(152 199 395)	138 914 826		(13 284 568)			(13 284 568)	12 953 983	202.55%
Transfers Recognised - Capital	-	-	-	-	-	-	-	-	0.00%
Net Surplus/(Deficit) for the year	(152 199 395)	138 914 826		(13 284 568)			(13 284 568)	12 953 983	202.55%



COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

Cash and Cash Equivalents at the beginning of the year
Cash and Cash Equivalents at the end of the year



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) and also in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has started with a process during the year to align items in the annual financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the annual financial statements. This is set out in note 39 of the annual financial statements.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.6. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as a separate additional financial statement, namely Statement of comparison of budget and actual amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements. Material differences are being defined by Management as 10% of a specific line-item with a minimum of R500,000.

Explanations for material differences between the final budget amounts and actual amounts are included the Notes to the Financial Statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.7. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

Standard	Description	Effective Date
GRAP 18	Segment Reporting The objective of this Standard is to establish principles for reporting financial information by segments. No significant impact is expected as information to a large extent is already included in the appendices to the financial	Effective from 1 April 2015. The implementation of GRAP 18 is delayed, in terms of Directive 5, for municipalities for the 2016 / 17

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	statements which do not form part of the audited financial statements.	financial year.
GRAP 20 (Original – June 2011)	<p>Related Party Disclosure</p> <p>The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.</p> <p>The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.</p>	Unknown
GRAP 32 (Original – Aug 2013)	<p>Service Concession Arrangements: Grantor</p> <p>The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
GRAP 108 (Original – Sept 2013)	<p>Statutory Receivables</p> <p>The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.</p> <p>The Municipality has resolved to adopt the principles as set out in GRAP 108 to formulate its own accounting policy.</p>	Unknown
GRAP 109	<p>Accounting by Principals and Agents</p> <p>The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

IGRAP17	<p>Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset</p> <p>This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
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These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.8. RESERVES

1.8.1. Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilized.

1.9. LEASES

1.9.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.9.2. Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality recognises the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.10. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grant are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered to be a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.11. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.12. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public. Unspent public contributions are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. Once the public contribution becomes repayable to the donor due to conditions not met, the remaining portion of the unspent public contribution is reclassified as payables, which is considered to be a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.13. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is de-recognised.

1.14. EMPLOYEE BENEFITS

Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

1.14.1. Post-Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – "Employee Benefits" (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The interest cost of the defined benefit obligation is recognised as finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.2. Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.3. Ex gratia Gratuities

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as financial cost upon valuation as it meets the definition of Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.4. Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee at year-end.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

1.14.5. Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

1.14.6. Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees.

1.14.7. Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable.

The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The Municipality operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.14.8. Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.15. BORROWING COSTS

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1. Initial Recognition and Measurement

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.16.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.16.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets to the residual value of the asset, where applicable. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	Years		Years
Infrastructure		Other	
Roads and Paving	16 – 36	Buildings	5 – 102
		Other vehicles	7 – 37
Community		Office equipment	5 – 31
Recreational Facilities	9 – 36	Furniture and fittings	2 – 54
		Bins and containers	10 – 36
		Specialised plant and Equipment	2 – 27
		Fire Engines	10 – 32
		Emergency equipment	5 – 22
		Computer equipment	2 – 34
		Disaster Management Equipment	6 – 15

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.16.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16.5. Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For Other Assets the depreciated replacement cost method was used to establish the deemed cost as on 1 July 2007.

1.17. INTANGIBLE ASSETS

1.17.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or
- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.17.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.17.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	5 - 17

1.17.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18. INVESTMENT PROPERTY

1.18.1. Initial Recognition

Investment property is recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.18.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.18.3. Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	25 - 102

1.18.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.19. HERITAGE ASSETS

1.19.1. Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.19.2. Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3. Depreciation and Impairment

Heritage assets are not depreciated

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.19.4. De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits or service potential expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

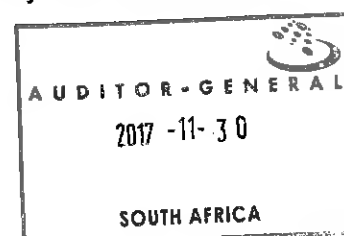
The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.20.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.21. INVENTORIES

1.21.1. Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

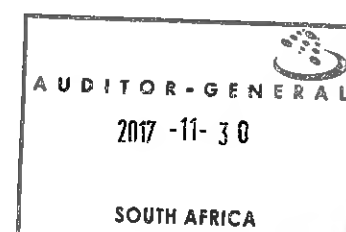
Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.21.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.22. FINANCIAL INSTRUMENTS

Financial instruments recognised in the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions) and non-current investments. The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

1.22.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.22.2. Subsequent Measurement

Financial assets are categorised according to their nature as either financial assets at fair value, loans and receivables at cost and loans and receivables at amortised cost. Financial liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.22.2.1. Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

1.22.2.2. Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.22.2.3. Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities carried at amortised cost.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.22.2.4. Non-Current Investments

Investments which include fixed deposits invested in registered commercial banks, are stated at cost or amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.22.3. De-recognition of Financial Instruments

1.22.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

1.22.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.22.4. Impairments of Financial Assets

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality, after the appropriate legislative processes have been followed. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.22.5. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.23. STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables generally arise from non-exchange transactions.

1.23.1. Initial Recognition

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition of an asset.

1.23.2. Measurement

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to reflect any:

- (a) interest or other charges that may have accrued on the receivable;

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

-
- (b) impairment losses; and
 - (c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.23.3. Derecognition

The Municipality derecognises a statutory receivable when:

- (a) the rights to the cash flows from the receivable are settled, expire or are waived;
- (b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- (c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:
 - (i) derecognise the receivable; and
 - (ii) recognise separately any rights and obligations created or retained in the transfer.

1.24. REVENUE

1.24.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Fine Revenue constitutes spot fines.. Fine revenue is recognised when the spot fine is issued. In cases where fines are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.24.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.

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- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Interest revenue is recognised using the effective interest rate method.

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue from the sale of goods is recognised when:

- Substantially all the risks and rewards in those goods are passed to the consumer; and
- The municipality seizes managerial involvement and control of the goods; and
- The amount of the revenue can be measured reliably; and
- It is probable that economic benefits or service potential associated with the transaction will flow to the municipality; and
- The costs incurred or to be incurred can be measured reliably.

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating;
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – "Related Party Disclosures".

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- has control or joint control over the Municipality.
 - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - is a member of the management of the Municipality or its controlling entity.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same Municipality (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an Municipality of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

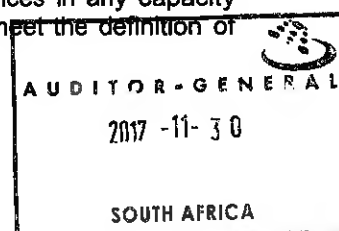
Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an Municipality who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of



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remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.26. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the annual financial statements:

1.30.1. *Post-retirement medical obligations, Long service awards and Ex gratia gratuities*

The cost of post retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the annual financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2. *Impairment of Receivables*

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.30.3. *Property, Plant and Equipment*

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment.

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The cost for depreciated replacement cost was determined by using either one of the following:

- cost of items with a similar nature currently in the Municipality's asset register;
- cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.30.4. Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

1.30.5. Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

1.30.6. Revenue Recognition

Accounting Policy 1.24.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.24.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.30.7. Provision for Clearing of Alien Vegetation

The Municipality has an obligation to clear alien vegetation. The provision represents the present cost to clear the alien vegetation. This was based on the current clearing cost per hectare and the total size of the land to be cleared.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1.30.8. Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

1.30.9. Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.30.10. Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.31. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.32. CAPITAL COMMITMENTS

Capital commitments disclosed in the annual financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.33. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NET ASSET RESERVES

RESERVES

Capital Replacement Reserve
Accumulated Surplus

Total Housing Development Fund Assets and Liabilities

2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

LONG TERM LIABILITIES

Capitalised Lease Liability - At amortised cost

DBSA Loans - At amortised cost

Sub-total

Less: Unamortised Charges to Loans

Balance 1 July
Adjustment for the Year

Sub-total

Less: Current portion transferred to current liabilities

Current Portion of long term liabilities - At amortised cost
Current Portion of Unamortised Charges to Loans

Total Long-term Liabilities - At amortised cost using the effective interest rate method

NON -CURRENT EMPLOYEE BENEFITS

Employee Benefits - Liabilities (Note 4.1)

Provision for Post Employment Health Care Benefits
Roads - Provision for Post Employment Health Care Benefits
Provision for Ex-Gratia Pension Benefits
Roads - Provision for Ex-Gratia Pension Benefits
Provision for Long Service Leave Awards
Roads - Provision for Long Service Leave Awards

Less Short Term Portion Transferred to Current Provisions

Total Non-current Employee Benefit Liabilities

Employee Benefits - Receivables (Note 4.3)

Included in the above provision for Employee Benefits are the following amounts receivable from the Department of Transport with regards to employee benefits:

Roads - Provision for Post Employment Health Care Benefits (Note 4.3)
Roads - Provision for Ex-Gratia Pension Benefits (Note 4.3)
Roads - Provision for Long Service Leave Awards (Note 4.3)

Less Short Term Portion Transferred to Current Employee Benefits Receivable (Note 4.3)

**2017
R**

**2016
R**

269 148 015

256 194 033

27 726 373

24 675 636

241 421 643

231 518 398

269 148 015

256 194 033

-

-

-

-

-

9 410

-

(9 410)

-

-

-

-

-

-

**2017
R**

**2016
R**

76 483 324

75 664 480

55 129 352

55 315 202

196 813

290 288

436 092

495 730

7 613 803

7 336 316

5 776 244

5 361 688

146 636 728

144 483 702

(8 666 027)

(7 311 050)

138 939 701

137 152 652

55 129 352

55 315 202

436 092

495 730

5 776 244

5 361 688

61 341 688

61 172 816

3 806 368

3 195 074

57 636 326

57 977 544



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

4.1 EMPLOYEE BENEFITS - LIABILITY

Post Employment Health Care Benefits

	2017 R	2016 R
Balance 1 July	130 979 682	122 250 431
Contribution for the year	3 436 208	3 809 785
Interest Cost	11 478 204	10 364 588
Expenditure for the year	(5 833 044)	(5 075 772)
Actuarial Loss/(Gain)	(8 448 376)	(369 310)
Total post retirement benefits 30 June	131 612 676	130 979 682
Less: Transfer of Current Portion - Note 6	(6 826 916)	(5 833 044)
Balance 30 June	124 785 760	125 146 638

Long Service Leave Benefits

Balance 1 July	12 698 002	13 107 369
Contribution for the year	821 008	935 893
Interest Cost	1 028 841	613 342
Expenditure for the year	(768 904)	(1 260 934)
Actuarial Loss/(Gain)	(488 798)	(707 668)
Total post retirement benefits 30 June	13 390 147	12 688 002
Less: Transfer of Current Portion - Note 6	(1 730 825)	(1 814 027)
Balance 30 June	11 659 322	11 363 975

Ex-Gratia Pension Awards

Balance 1 July	786 018	1 065 163
Contribution for the year	-	-
Interest Cost	57 014	72 281
Expenditure for the year	(183 979)	(205 359)
Actuarial Loss/(Gain)	(48 148)	(148 047)
Total post retirement benefits 30 June	632 905	786 018
Less: Transfer of Current Portion - Note 6	(138 283)	(163 979)
Balance 30 June	494 622	622 039

TOTAL NON-CURRENT EMPLOYEE BENEFITS

Balance 1 July	144 463 702	136 422 963
Contribution for the year	4 358 215	4 746 656
Interest Cost	12 565 059	11 050 171
Expenditure for the year	(8 765 927)	(8 532 065)
Actuarial Loss/(Gain)	(8 965 321)	(1 223 025)
Total post retirement benefits 30 June	145 635 728	144 463 702
Less: Transfer of Current Portion - Note 6	(8 896 024)	(7 311 050)
Balance 30 June	136 699 704	137 152 652

4.1.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members
Continuation members (e.g. retirees, widows, orphans)

Total Members

The liability in respect of past service has been estimated to be as follows:

In-service members
Roads - In-service members
Continuation members
Roads - Continuation members

Total Liability

2017 Members	2016 Members
271	291
163	162
434	453

2017 R	2016 R
23 575 467	24 562 583
24 784 249	25 819 998
52 907 829	51 101 895
30 345 101	29 895 204
131 612 676	130 979 680



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

4

NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2014 R	2015 R
In-service members	20 979 543	24 979 068	27 765 009
Roads - in-service members	19 704 991	22 843 456	25 100 227
Continuation members	34 819 312	36 394 962	42 808 857
Roads - Continuation members	21 096 535	23 157 283	26 575 338
	<u>96 600 381</u>	<u>107 374 771</u>	<u>122 250 431</u>

Experience adjustments were calculated as follows:

	2013 R (Millions)	2014 R (Millions)	2015 R (Millions)
Liabilities: (Gain) / loss		7.037	1.830
	<u>6.190</u>	<u>2.102</u>	<u>6.173</u>

The District Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
Keyhealth;
LA Health;
Hoemed; and
SAMWU Medical Aid.

The Future-service Cost for the ensuing year is estimated to be R 2,880,039, whereas the Interest - Cost for the next year is estimated to be R12,208,361.

Key actuarial assumptions used:

i) Rate of Interest

Discount rate
Health Care Cost Inflation Rate
Net Effective Discount Rate

2017 %	2016 %
9.52%	8.96%
7.80%	8.06%
1.60%	0.81%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

ii) Mortality rates

The PA 90 ult. Mortality table was used by the actuaries.

iii) Normal retirement age

The normal retirement age of employees is 65. It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of ill-health, early and late retirement.

iv) Expected Salary Increases

2016/2017 - average CPI (Feb 2015 - Jan 2016) + 1 per cent

2017/2018 - average CPI (Feb 2016 - Jan 2017) + 1 per cent

The three-year Salary and Wage Collective Agreement ends on 30 June 2018.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations
Roads - Present value of fund obligations

Net liability/(asset)

2017 R	2016 R
76 483 324	75 884 480
55 128 352	55 315 202
<u>131 612 676</u>	<u>130 979 682</u>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 165 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year
Current service cost
Interest Cost
Benefits Paid

Total expenses
Actuarial (gains) / losses

Present value of fund obligation at the end of the year

130 979 682	122 250 431
3 435 206	3 809 765
11 479 204	10 364 668
(5 833 044)	(5 075 772)
<u>140 061 051</u>	<u>131 348 982</u>
(8 448 375)	(369 310)
<u>131 612 676</u>	<u>130 979 682</u>

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		48 306	83 253	131 613	
Health care inflation	1%	58 826	91 849	150 475	14.00%
Health care inflation	-1%	40 245	75 903	116 147	-12.00%
Discount Rate	+1%	40 423	76 071	116 494	-11.00%
Discount Rate	-1%	56 548	91 787	150 337	14.00%
Post retirement mortality	-1 yr	49 832	86 463	136 296	4.00%
Average retirement age	+1 yr	61 973	83 283	135 226	3.00%
Continuation of membership at retirement	-10%	43 259	83 253	126 512	-4.00%

Assumption	Change	Current-service Cost R	Interest Cost R	Total R	% change
Central Assumption		3 435 200	11 479 200	14 914 400	
Health care inflation	1%	4 277 900	13 271 100	17 549 000	18.00%
Health care inflation	-1%	2 785 800	10 022 000	12 808 500	-14.00%
Discount Rate	1%	2 820 900	11 186 600	13 987 500	-5.00%
Discount Rate	-1%	4 240 000	11 792 000	16 032 000	7.00%
Post-retirement mortality	-1 year	3 546 500	11 818 400	15 464 900	4.00%
Average retirement age	-1 year	3 635 200	11 806 100	15 441 300	4.00%
Withdrawal Rate	-10%	3 103 600	11 012 600	14 116 200	-5.00%

4.1.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 517 employees were eligible for Long Service Bonuses.

The Future-service Cost for the ensuing year is estimated to be R 821,215, whereas the Interest - Cost for the next year is estimated to be R 1,050,060.

Key actuarial assumptions used:

i) Rate of Interest

Discount rate
General Salary Inflation (long-term)
Net Effective Discount Rate applied to salary-related Long Service Bonuses

2017 %	2016 %
8.37%	8.53%
5.19%	7.19%
2.05%	1.25%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

B) Actuarial Valuation Method

H) Actuarial Valuation Method
The Projected Unit Credit Method has been used to value the liabilities.

Analysis of accrued liability

The amounts recognised in the Statement of Financial Position are as follows:

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

Experience adjustments were calculated as follows:

Liability: (Gain) / loss

Liabilities: (Gain) / loss

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption

Withdrawal rates

4.1.3 Provision for Ex-Gratia Pension Benefits

The Ex-Gratia Pension Benefit plans are defined benefit plans. As at year end, 12 former employees were eligible for Ex-Gratia Benefits.

There is no Current-service cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest-Cost for the next year is estimated to be B 44.048.

Key actuarial assumptions used:

Net Effective Discount Rate: pensioners with pension increases of 50% of DPI

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

II) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

The amounts recognised in the Statement of Financial Position are as follows:

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

Total Liability

Experience adjustments were calculated as follows:

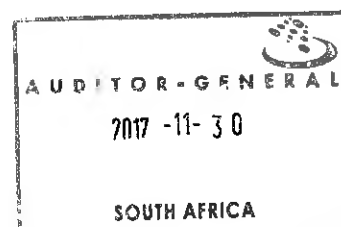
Liabilities: (Gain) / loss

Assets: Gain / (loss)

Liabilities: (Gain) / loss

Assets: Gain / Loss
Liabilities: (Gain) / Loss

Analysis of accrued liability

Net liability / (asset)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NON-CURRENT EMPLOYEE BENEFITS (CONTINUED)

Reconciliation of accrued liability values:

Present value of fund obligation at the beginning of the year	
Interest Cost	
Benefits Paid	
Total expenses	
Actuarial (gains) / losses	
Present value of fund obligation at the end of the year	

2017 R	2016 R
788 018	1 065 163
57 014	72 281
(163 970)	(205 359)
679 063	932 085
(46 149)	(146 047)
632 904	786 018

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (R)	% change
Central assumptions		632 904	
Pension increase rate	+1%	680 808	4%
Pension increase rate	-1%	607 131	-4%
Discount Rate	+1%	608 618	-4%
Discount Rate	-1%	659 402	4%
Post-retirement mortality	- 1 yr	664 357	5%

4.2 Retirement Funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claims that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

Cape Joint Pension Fund

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position.

Contributions paid recognised in the Statement of Financial Performance

2017 R	2016 R
150 002	123 118

Cape Retirement Fund

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position.

Contributions paid recognised in the Statement of Financial Performance

14 838 074	15 469 966
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Defined Contribution Plans

Council contribute to the Municipal Council Pension Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

161 842	18 522
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4.3 EMPLOYEE BENEFITS - RECEIVABLE

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1.1) - At amortised cost
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.1.3) - At amortised cost
Department of Transport: Roads - Long Service Awards (Note 4.1.2) - At amortised cost

55 129 352	55 315 202
436 092	465 730
5 776 244	5 361 686

Less: Current portion transferred to current employee benefits receivable

61 341 688	61 172 618
3 805 368	3 165 074

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1.1) - At amortised cost
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.1.3) - At amortised cost
Department of Transport: Roads - Long Service Awards (Note 4.1.2) - At amortised cost

2 844 700	2 483 232
94 691	102 269
866 007	609 673

Total

57 636 326	67 977 644
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DEPARTMENT OF TRANSPORT: ROADS

The Employee Benefits: Roads Receivable relates to the provision for post-retirement health benefits, long service awards and ex-gratia pension benefits made in respect of employees directly appointed for Roads Function performed on an agency basis on behalf of the Provincial Administration: Western Cape.

In terms of the agreement between the Western Cape Provincial Government and past practice, Provincial Government funds will be made available to maintain the approved organogram of the Roads department, including all employee post retirement benefits. The future claim for the provision for retirement benefits has therefore been raised as a long term debtor. The carrying amount of these assets approximates their fair value.

A technical query has been lodged with the Office of the Auditor General, National Treasury and Provincial Treasury with regards to the ownership of the post employment benefits of the Roads' Agency Function.

NON-CURRENT PROVISIONS

Provision for Alleviation of Alien Vegetation on Council Properties
Less current portion transferred to Current Provisions - Note 7

Total Non-Current Provisions

Clearing of Alien Vegetation

Balance 1 July
Increase / (Decrease) in the provision for the year

Total provision 30 June

Less current portion transferred to Current Provisions - Note 7

Balance 30 June

2017 R	2016 R
3 701 447	4 975 178
(759 167)	(2 375 823)
2 942 280	2 599 355
4 975 178	5 429 493
(1 273 731)	(454 305)
3 701 447	4 975 178
(759 167)	(2 375 823)
2 942 280	2 599 355



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6 NON-CURRENT PROVISIONS (CONTINUED)

These provision is made in order to enable the District Municipality to be in a position to fulfill its known legal obligation when it becomes due and payable.

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on National Treasury's inflation rate indicator. The following rate was used - 6.4% (2016 - 6.4%)

There was no expenditure incurred for the current or prior financial years.

6 CURRENT EMPLOYEE BENEFITS

Performance Bonuses
Provision for Staff Leave
Provision for Staff Bonus
Roads - Provision for Staff Leave
Roads - Provision for Staff Bonus

Current Portion of Employee Benefit Provisions - Note 4
Current Portion of Employee Benefit Provisions - Roads - Note 4

Provision Shift Allowances
Provision for Leave days paid
Roads - Provision for Leave days paid

Total Provisions

2017 R	2016 R
478 536	515 015
7 810 365	7 108 640
2 844 303	2 558 742
4 256 217	4 305 878
2 003 271	1 816 654
8 696 027	7 311 050
4 890 859	4 115 976
3 805 368	3 196 074
1 033 741	1 082 500
737 176	737 176
208 651	208 651
28 068 286	25 643 306

30-Jun-17
Balance at beginning of year
Overprovision previous year
Utilised during the year
Contributions/ (Reversal) to/of provision - current year provision
Balance at end of year

30-Jun-16
Balance at beginning of year
Overprovision previous year
Utilised during the year
Contributions to provision - current year provision
Balance at end of year

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.

30-Jun-17
Balance at beginning of year
Overprovision previous year
Contributions to provision - current year provision
Utilised during the year
Balance at end of year

30-Jun-16
Balance at beginning of year
Underprovision previous year
Contributions to provision - current year provision
Utilised during the year
Balance at end of year

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

30-Jun-17
Balance at beginning of year
Contributions to provision - current year provision
Utilised during the year
Balance at end of year

30-Jun-16
Balance at beginning of year
Contributions to provision - current year provision
Utilised during the year
Balance at end of year

Roads - Performance Bonus	Performance Bonus
-	515 015
-	(6 804)
-	(508 211)
-	478 536
-	478 536

Roads - Staff Leave	Staff Leave
4 305 878	7 108 640
-	-
421 340	1 447 887
(471 001)	(746 162)
4 256 217	7 810 365
4 140 430	6 750 936
-	(530 683)
898 368	1 794 675
(730 940)	(606 291)
4 305 878	7 108 640

Roads - Staff Bonus	Staff Bonus
1 815 854	2 558 742
3 354 118	4 700 525
(3 166 501)	(4 414 964)
2 003 271	2 844 303
1 767 804	2 409 795
3 226 916	601 022
(3 199 068)	(462 076)
1 815 854	2 558 742



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6 CURRENT EMPLOYEE BENEFITS (CONTINUED)

Bonuses are being paid to all municipal staff, excluding section 67 Managers. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 4 to the Financial Statements, Other Defined Benefit Plan information

Provision Shift Allowances
Balance at beginning of year
Contributions to provision - current year provision
Expenditure incurred

Balance at end of year

2017 R	2016 R
1 082 500	1 237 618
(48 759)	(155 118)
1 033 741	1 082 500

30-Jun-17
Balance at beginning of year
Contributions to provision - current year provision
Balance at end of year

Roads - Leave Days Paid	Leave Days Paid
208 650	737 176
-	-
208 650	737 176

30-Jun-18
Balance at beginning of year
Underprovision previous year
Contributions to provision - current year provision
Balance at end of year

110 830	412 687
97 821	324 280
208 650	737 176

7 PROVISIONS

Current Portion of Alleviation of Alien Vegetation

Total Provisions

758 167	2 375 823
758 167	2 375 823

8 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables

Balance previously reported
Correction of provision for Trade Payables - Note 40.2

Other creditors

Balance previously reported
Correction of provision for Trade Payables - Note 40.2

Public Holiday Payments

Deposits

Deposits: Swartvlei
Deposits: Victoria Bay
Deposits: Calitzdorp Spa
Deposits: De Hoek

Retention Creditors

Roads - Payment Received In Advance

Roads - Other creditors

Government subsidies: Department of Transport - Roads

Debtors with credit balances

Total Trade and Other Payables from Exchange Transactions

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

4 389 185	2 741 921
-	1 815 295
-	1 126 626
1 804 858	1 462 559
-	1 641 344
-	(178 785)
310 789	310 789
1 586 194	1 241 586
778 070	612 298
310 531	235 055
225 997	149 478
251 697	244 758
165 832	-
1 000 000	1 000 000
1 816 888	2 338 704
-	3 493 204
182 514	65 032
11 216 808	12 653 795

9 UNSPENT TRANSFERS AND SUBSIDIES

Unspent Transfers and Subsidies

National Government Grants

Provincial Government Grants

Other Grant Providers

Balance previously reported

Correction of Unspent Grant: Department of Land Affairs - Note 3

Correction of creditor provision of previous year - Note 3

Less: Unpaid Transfers and Subsidies

National Government Grants

Other Grant Providers

Total Transfers and Subsidies

See Annexure B for a reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The District Municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

4 534 880	17 489 363
524 410	15 021 377
78 212	1 229 430
3 932 249	1 238 556
-	1 286 889
-	(28 433)
-	(20 000)
383 622	294 510
252 622	294 510
-	-
4 282 258	17 194 852

10 TAXES

VAT Receivable

VAT is payable on the payment basis. Only once payment is received from debtors VAT is paid over to SARS.

2017 R	2016 R
2 751 044	33 045
2 751 044	33 045



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11 PROPERTY PLANT & EQUIPMENT

30 JUNE 2017

Reconciliation of Carrying Value

	Cost				Accumulated Impairments				Accumulated Depreciation					
	Opening Balance		Additions		Disposals		Class Transfer		Opening balance		Disposals		Class Transfer	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Infrastructure	104 489	-	104 489	-	-	-	-	-	39 642	4 286	-	-	43 928	60 561
Roads and Streets	104 489	-	104 489	-	-	-	-	-	39 642	4 286	-	-	43 928	60 561
Community Assets	1 101 242	-	1 101 242	53 624	-	-	-	-	288 108	42 865	-	-	330 973	823 893
Canavan Parks	1 101 242	-	1 101 242	53 624	-	-	-	-	288 108	42 865	-	-	330 973	823 893
Land and Buildings	289 526 706	-	289 526 706	3 034 209	-	-	-	-	13 156 896	725 079	-	-	13 881 975	129 624 379
Land	250 932 938	-	250 932 938	-	-	-	-	-	13 156 896	725 079	-	-	-	83 854 938
Buildings	48 595 770	-	48 595 770	3 034 209	-	-	-	-	13 156 896	725 079	-	-	13 881 975	36 069 441
Other Assets	38 136 638	-	38 136 638	2 732 801	630 234	-	38 239 203	23 644	73 431	97 075	23 628 135	1 755 822	381 275	25 022 682
Office Equipment	2 920 871	-	2 920 871	35 557	4 297	-	2 956 725	-	39 577	39 577	1 729 692	155 752	3 068	1 882 378
Furniture and Fittings	4 827 384	-	4 827 384	580 860	81 063	-	5 348 301	-	7 145	7 145	3 498 313	216 342	51 205	3 663 450
Bins and Containers	389 401	-	389 401	-	-	-	389 401	-	-	-	288 357	22 816	-	309 172
Emergency equipment	1 712 577	-	1 712 577	-	-	-	1 712 577	-	7 548	7 548	1 283 442	84 535	-	1 378 377
Motor Vehicles	5 080 708	-	5 080 708	136 905	306 460	-	5 411 130	-	1 801	1 801	3 038 379	170 371	167 319	3 244 432
Fire Engines	5 773 627	-	5 773 627	-	-	-	5 773 627	-	1 893	1 893	2 832 470	265 217	116 587	2 965 100
Computer Equipment	8 751 807	-	8 751 807	1 380 337	49 021	-	10 062 823	23 644	5 848	5 848	6 248 177	880 504	19 022	6 898 659
Plant and Equipment	1 638 359	-	1 638 359	189 720	9 228	-	2 019 851	-	9 728	9 728	1 233 459	112 236	4 075	1 341 821
Disaster Management Equipment	4 532 105	-	4 532 105	389 682	-	-	5 231 787	-	-	-	4 469 844	81 849	-	4 551 693
	338 871 077	-	338 871 077	5 620 834	630 234	-	342 081 478	158 750 207	73 431	-	37 112 781	2 528 052	381 275	39 279 556
														143 928 281

30 JUNE 2016

Reconciliation of Carrying Value

	Cost					Accumulated Impairments					Accumulated Depreciation									
	Opening Balance		Class Transfer	Additions		Disposals	Class Transfer	Closing Balance		Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening Balance (after class transfers)	Additions	Disposals	Class Transfer	Closing Balance	Carrying Value
	R	R		R	R			R	R											
Infrastructure	104 489	-	-	104 489	-	-	-	104 489	-	-	-	-	-	-	34 969	4 673	-	-	39 642	64 847
Roads and Streets	104 489	-	-	104 489	-	-	-	104 489	-	-	-	-	-	-	34 969	4 673	-	-	39 642	64 847
Community Assets	1 021 225	-	1 021 225	80 017	-	-	1 101 242	-	-	-	-	-	-	-	245 175	42 833	-	-	288 108	813 134
Canavan Parks	1 021 225	-	1 021 225	80 017	-	-	1 101 242	-	-	-	-	-	-	-	245 175	42 833	-	-	288 108	813 134
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Art Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land and Buildings	298 555 107	-	298 555 107	35 601	82 000	-	299 528 706	158 759 563	-	-	33 000	168 759 563	12 429 477	727 419	-	-	-	13 156 896	127 615 249	
Land	250 964 938	-	250 964 938	-	82 000	-	250 932 938	157 111 000	-	-	33 000	167 078 000	-	-	-	-	-	-	93 854 938	-
Balance previously reported	250 964 938	-	250 964 938	-	82 000	-	250 932 938	157 111 000	-	-	33 000	167 078 000	-	-	-	-	-	-	93 854 938	-
Buildings	48 590 169	-	48 590 169	35 601	-	-	48 595 770	1 678 563	-	-	-	1 678 563	12 429 477	727 419	-	-	-	13 156 896	33 760 311	-
Balance previously reported	48 590 169	-	48 590 169	35 601	-	-	48 595 770	1 678 563	-	-	-	1 678 563	12 429 477	727 419	-	-	-	13 156 896	33 760 311	-

AUDITOR - GENE

2017 -11-30

SOUTH AFRICA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11 PROPERTY PLANT & EQUIPMENT (CONTINUED)

	Cost			Accumulated Impairments				Accumulated Depreciation					
	Opening Balance	Class Transfer	Opening Balance (after class transfers)	Additions	Disposals	Class Transfer	Closing Balance	Opening Balance (after class transfers)	Additions	Disposals	Class Transfer	Closing Balance	Carrying Value
Other Assets													
Office Equipment													
Balance previously reported	34,540,717	-	34,540,717	1,872,276	278,358	-	38,136,636	23,644	-	-	-	23,644	12,484,859
Correction of error previously disposed now found - Note 39,1	2,558,077	-	2,558,077	380,282	25,469	-	2,960,871	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	2,540,519	-	2,540,519	380,282	31,871	-	2,999,910	-	-	-	-	-	-
Correction of error identified for the first time - Note 39,1	14,558	-	14,558	-	(6,402)	-	8,402	-	-	(1)	-	9,438	863
Furniture and Fixtures													
Balance previously reported	4,749,850	-	4,749,850	141,033	63,589	-	4,827,364	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	4,727,502	-	4,727,502	141,033	68,436	-	4,788,069	-	-	-	-	-	-
Correction of error identified for the first time - Note 39,1	22,448	-	22,448	-	(16,837)	-	16,837	-	-	(2)	-	14,175	2,862
Bikes and Containers													
Emergency equipment	430,191	-	430,191	-	31,790	-	398,401	-	-	-	-	-	-
Balance previously reported	1,761,176	-	1,761,176	-	48,686	-	1,712,577	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	1,692,394	-	1,692,394	-	83,213	-	1,579,151	-	-	-	-	-	-
Correction of error identified for the first time - Note 39,1	58,812	-	58,812	-	(94,614)	-	34,814	-	-	(18,017)	-	121,887	387,284
Motor Vehicles													
Balance previously reported	4,834,115	-	4,834,115	148,860	3,269	-	5,086,708	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	4,834,115	-	4,834,115	148,860	3,082	-	5,079,963	-	-	-	-	-	-
Fire Engines													
Balance previously reported	5,773,827	-	5,773,827	-	-	-	5,773,827	23,844	-	-	-	-	-
Correction of error useful life - Note 34,1	4,709,719	-	4,709,719	-	100,802	-	4,806,917	-	23,644	-	-	2,369,650	2,275,644
Computer Equipment													
Balance previously reported	7,777,782	-	7,777,782	1,037,569	63,724	-	8,751,607	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	7,750,487	-	7,750,487	1,037,569	121,717	-	8,868,319	-	-	-	-	-	-
Correction of error identified for the first time - Note 39,1	27,298	-	27,298	-	(97,946)	-	57,663	-	-	(6)	-	5,194,535	3,481,784
Councillors Regalia													
Plint and Equipment													
Balance previously reported	1,723,716	-	1,723,716	155,952	39,608	-	1,839,369	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	1,718,525	-	1,718,525	155,952	105,782	-	1,789,285	-	-	-	-	-	-
Correction of error identified for the first time - Note 39,1	5,190	-	5,190	-	(65,894)	-	85,804	-	-	(30)	-	533	7,331
Disaster Management Equipment													
Balance previously reported	4,832,105	-	4,832,105	-	-	-	4,832,105	-	-	-	-	-	-
Correction of error previously disposed now found - Note 39,1	4,832,105	-	4,832,105	-	-	-	4,832,105	-	-	-	-	-	-
Residual Balance	535,221,536	-	535,221,536	1,967,694	338,359	-	339,871,077	158,813,267	-	35,800	158,790,237	34,558,081	140,978,069

The leased property, plant and equipment is secured as set out in Note 3.

EDEN DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)
11.1 Expenditure incurred to repair and maintain Property, Plant and Equipment:

Employee related costs
Other materials
Contracted Services
Other Expenditure

Total Repairs and Maintenance

2017 R	2016 R
-	-
143 724	134 866
2 441 709	1 658 121
1 096 884	1 318 268
3 682 318	3 011 255

Assets pledged as security:

The leased property, plant and equipment is secured as set out in Note 3.

Third party payments received for losses incurred:

Payments received (Excluding VAT)
Carrying value of assets written off/lost
Surplus/Deficit

213 141	60 125
(268 960)	(160 849)
(55 818)	(100 723)

Impairment of property plant and equipment

Impairment charges on Property, plant and equipment recognised in statement of financial performance

Land and Buildings
Infrastructure
Community Assets
Lease Assets
Heritage
Other

-	-
-	-
-	-
-	-
-	-
73 431	-
73 431	-

Effect of changes in accounting estimates

During the current year useful lives of assets were re-assessed to ensure that assets' useful lives accurately reflect the remaining useful lives that each asset will be utilised by Eden District Municipality. The effect on the current as well as future periods are as follows:

	2017 R	2018 R	2019 R
Decrease in Accumulated Depreciation: Property, plant and equipment	(56 967)	(117 466)	(182 522)

Additional disclosure matter:
Transfer of property to local (B) Municipalities:
Plan to transfer not yet finalised:

On 25 May 2016 a Council Resolution was taken to transfer portion 116 farm 60 Callitdorp to Kennaland Municipality and portion 0 of farm 166 Kraalbosch to George Municipality. In 2016 the previously elected Council resolved to place the transfer of the Victoria Bay to George Municipality and Callitdorp Spa to Kennaland Municipality on hold. The newly inaugurated Council can take a decision whether these properties must be transferred. At reporting date the plan to transfer the property was not yet finalised.

The carrying value of possible affected properties as at the reporting date is estimated at:

- Land R13 113 600
- Buildings R4 040 369

Disputed properties:

The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local (B) municipalities have disputed that these properties can in fact be disposed since it was supposed to be transferred to them because the assets were supposed to follow the function and since Eden are not fulfilling some of these anymore the local municipalities are claiming these properties. The Municipality intends to dispute this claim.

The carrying value of possible affected properties as at the reporting date is estimated at:

- Land R37 602 251
- Buildings R 728 025

12 INVESTMENT PROPERTY
Net Carrying amount at 1 July

Cost - Buildings
Cost - Land
Accumulated Impairments - Buildings
Accumulated Impairments - Land
Class Transfers - Land
Accumulated Depreciation - Buildings

2017 R	2016 R
85 044 052	85 760 967
7 456 559	7 456 559
165 858 856	165 858 856
(619 229)	(619 229)
(84 881 250)	(84 881 250)
-	-
(2 169 985)	(2 053 949)

Impairments - Land
Impairments - Buildings
Depreciation for the year
Disposals: Accumulated depreciation - Buildings
Disposals: Cost - Buildings
Disposals: Cost - Land
Transfer of functions to George Municipality: Accumulated Depreciation
Depreciation written back on disposal

-	-
-	-
(112 185)	(116 036)
-	-
-	-
-	-
-	-
-	-

Net Carrying amount at 30 June

Cost - Buildings
Cost - Land
Accumulated Impairments - Buildings
Accumulated Impairments - Land
Accumulated Depreciation - Buildings

2017 R	2016 R
85 532 767	85 044 052
7 456 559	7 456 559
165 858 856	165 858 856
(619 229)	(619 229)
(84 881 250)	(84 881 250)
(2 282 170)	(2 169 985)

During the current year useful lives of assets were re-assessed to ensure that assets' useful lives accurately reflect the remaining useful lives that each asset will be utilised by Eden District Municipality. The effect on the current as well as future periods are as follows:

	2017 R	2018 R	2019 R
Effect of changes in accounting estimates	-	-	-
Decrease in Accumulated Depreciation: Investment Property	-	-	-



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

INVESTMENT PROPERTY (CONTINUED)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Additional disclosure matter

The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local (B) municipalities have disputed that these properties can in fact be disposed since it was supposed to be transferred to them because the assets were supposed to follow the function and since Eden are not fulfilling some of these anymore the local municipalities are claiming these properties. The Municipality intends to dispute this claim and are awaiting the outcome of the technical query lodged during 2014/2015.

The carrying value of possible affected properties as at the reporting date is estimated at:

- Land - Investment Properties R29 040 000
- Buildings - Investment Properties R718 050

Other Disputes:

A legal dispute has been lodged against the Eden District Municipality by Mr Kayser regarding Farm 32 George Doornfontein regarding the ownership of the property. At this stage, Eden District Municipality is awaiting correspondence from the applicants attorney Mr James King form Oudtshoorn.

- Land - Investment Properties R750 000
- Buildings - Investment Properties R87 293

INTANGIBLE ASSETS

Cost

Opening Balance on 1 July
Acquisitions for the year - At cost
Disposals

Less: Accumulated Impairments

Opening Balance on 1 July
Impairments for the year

Less: Accumulated Amortisation

Opening Balance on 1 July
Amortisation for the year
Disposals

Total Intangible Assets

During the current year useful lives of assets were re-assessed to ensure that assets' useful lives accurately reflect the remaining useful lives that each asset will be utilised by Eden District Municipality. The effect on the current as well as future periods are as follows:

No intangible asset were assessed having an indefinite useful life.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

NON-CURRENT INVESTMENTS

Unlisted

KKLK shares and Loan Account - Held at amortised cost through profit and loss

Total Unlisted

Total Investments

Council's valuation of unlisted investments

KKLK shares

INVENTORY

Consumable Stores - at cost

Total Inventory

Consumable stores materials written down due to losses as identified during the annual stores counts.

Consumable stores materials surpluses identified during the annual stores counts.

Inventory recognised as an expense during the year

Inventory issued during the year:

Inventory issued during the year and included in expenses:

Eden

Contracted services

General expenses: Domestic expenses
General expenses: Entertainment
General expenses: Plant
General expenses: Printing and stationery
General expenses: Protective Clothing
General expenses: Disposable Equipment
Repairs and Maintenance
General expenses: Training

Roads

Operating expenditure: Domestic expenses
Operating expenditure: Material
Operating expenditure: Plant
Operating expenditure: Printing and stationery
Operating expenditure: Protective Clothing
Operating expenditure: Repairs and Maintenance

2017
R

2016
R

5 398 572

5 030 886

5 030 886

5 001 488

358 876

28 280

-

-

(120 385)

(120 385)

(120 385)

(120 385)

-

-

(3 451 051)

(3 058 107)

(3 058 107)

(2 578 587)

(301 954)

(478 510)

-

-

1 819 216

1 851 194

2017
R

2016
R

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

26 027

2017
R

2016
R

3 131 451

3 365 248

3 131 451

3 365 248

-

-

1 110

65 579

13 535 882

13 052 114

2017
R

2016
R

13 535 882.28

13 052 113.82

1 086 084

907 380

-

27 282

259 738

231 523

-

375

308 476

289 271

132 327

119 625

129 045

22 582

105 702

-

130 781

211 758

-

4 954

12 469 809

12 144 733

113 788

113 216

12 108

883 781

12 144 887

11 014 404

31 883

21 498

166 967

156 287

334

175 571



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

As at 30 June 2017

	Gross Balances	Allowance for Bad Debts	Net Balances
Service debtors			
Ambulance and Fire Fighting Fees	9 349 204	(5 814 719)	3 534 486
Councillors' Arrears (Refer to Note A on next page)	3 421 941	(3 421 941)	-
Rental Agreements	1 004 888	(945 639)	59 029
TASK Contributions and Atmospheric Licence Applications	1 823 227	(302 185)	1 521 042
Roads - Sundry debtors	373 113	-	373 113
Total	15 972 153	(10 484 484)	5 487 669

As at 30 June 2016

	Gross Balances	Allowance for Bad Debts	Net Balances
Service debtors			
Ambulance and Fire Fighting Fees	7 674 561	(5 801 693)	1 782 868
Councillors' Arrears	3 127 222	(3 127 222)	-
Rental Agreements	1 601 569	(724 567)	776 972
TASK Contributions and Atmospheric Licence Applications	31 122	-	31 122
Roads - Sundry debtors	824 459	-	824 459
Total	13 158 933	(9 743 512)	3 415 421

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

Note A:

According to GRAP 104, outstanding councillors' debtors have to be evaluated annually and impaired at year end if there is an indication of possible impairment. However a due process as provided for in Section 167(2)(b) and S32 of the Municipal Finance Management Act 66 of 2003 needs to be followed.

Housing Rentals & Rental Agreements: Ageing

Current (0-30 days)	-	158 880
31 - 60 Days	54 059	149 624
61 - 90 Days	19 161	11 714
91 - 120 Days	35 357	11 714
121-365 Days	733 069	973 626
+ 365 Days	162 122	165 809
Total	1 004 888	1 501 569

Councillors' Arrears: Ageing

Current (0-30 days)	-	-
31 - 60 Days	-	9 796
61 - 90 Days	-	-
91 - 120 Days	-	-
121-365 Days	2 809 686	2 802 584
+ 365 Days	612 256	514 841
Total	3 421 941	3 127 222

Ambulance and Fire Fighting Fees: Ageing

Current (0-30 days)	-	518 388
31 - 60 Days	3 426 463	-
61 - 90 Days	-	-
91 - 120 Days	230 091	335 343
121-365 Days	4 566 537	6 082 439
+ 365 Days	1 126 113	738 391
Total	9 349 204	7 674 561

TASK Contributions and Atmospheric Licence Applications

Current (0-30 days)	-	-
31 - 60 Days	1 774 597	9 796
61 - 90 Days	-	-
91 - 120 Days	30 000	-
121-365 Days	17 609	19 482
+ 365 Days	721	1 833
Total	1 823 227	31 122

Roads - Sundry debtors

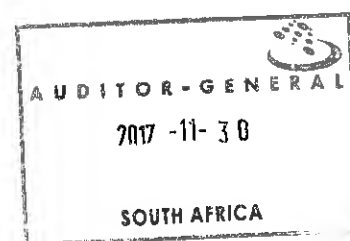
Current (0-30 days)	-	-
31 - 60 Days	64 330	621 167
61 - 90 Days	30 487	21 696
91 - 120 Days	8 037	6 765
121-365 Days	8 528	4 509
+ 365 Days	177 683	4 509
Total	83 750	165 790

Total

Reconciliation of the allowance for bad debt provision (Trade Receivables from exchange and Other Receivables from non-exchange)		
Balance at the beginning of the year	10 846 371	4 303 486
Contributions to allowance: Exchange Receivables - Note 16	199 063	5 677 622
Balance previously reported	-	7 147 174
Correction of error - allocate to bad debts written off	-	(1 269 551)
Contributions to allowance: Non-exchange Receivables - Note 17	259 415	665 282
Balance previously reported	-	670 079
Correction of error - allocate to bad debts written off	-	(4 797)
Bad debts written off against the allowance	-	-
Balance previously reported	-	(1 274 348)
Correction of error - allocate to bad debts written off	-	1 274 348
Balance at end of year	11 304 849	10 846 371

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS As at 30 June 2017

Government subsidies: Department of Transport - Roads
Recoverable Debtor: Anti-fraud Hotline
Recoverable Debtor: DMA
Sundry debtors
Continued Members
Advances to Agencies

Total Other Debtors

Gross Balances	Allowance for Bad Debts	Net Balances
5 179 142	-	5 179 142
855	(171)	684
157 112	(591 756)	1 004 522
1 586 277	(236 436)	95 053
333 490	-	149 363
149 363	-	-
7 406 280	(820 364)	6 585 916

As at 30 June 2016

Recoverable Debtor: C Africa
Recoverable Debtor: Anti-fraud Hotline
Recoverable Debtor: DMA
Recoverable Debtor: NM Dengelele
Recoverable Debtor: JC Saayman
Sundry debtors

Balance previously reported

Correction of VAT on incomplete creditor provision - Note 40.4

Continued Members
Advances to Agencies

Total Other Debtors

Gross Balances	Allowance for Bad Debts	Net Balances
6 804	-	6 804
855	-	855
157 112	-	157 112
19 007	(19 007)	-
2 252	(2 252)	-
2 166 302	(680 406)	1 485 896
2 045 276	(680 406)	1 364 870
121 026	-	121 026
471 002	(401 191)	69 811
153 682	-	153 682
2 977 015	(1 102 859)	1 874 156

Recoverable Debtor: C Africa
+ 365 Days

Total

2017 R	2016 R
-	6 804
-	6 804

Recoverable Debtor: DMA

Current (0-30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121-365 Days

+ 365 Days

Total

2017 R	2016 R
-	-
-	-
-	-
-	-
-	22 036
157 112	135 076
157 112	157 112

17 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (CONTINUED)

Recoverable Debtor: NM Dengelele

121-365 Days

Total

Recoverable Debtor: JC Saayman

61 - 90 Days

91 - 120 Days

+ 365 Days

Total

Sundry debtors

Current (0-30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121-365 Days

+ 365 Days

Total

Continued Members

Current (0-30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121-365 Days

+ 365 Days

Total

Recoverable Debtor: Anti-fraud Hotline

Current (0-30 days)

31 - 60 Days

Total

2017 R	2016 R
-	19 007
-	19 007
-	-
-	-
-	2 252
-	-
220 067	350 591
54 375	110 810
-	71 219
-	7 200
295 481	624 652
885 423	763 760
1 465 325	1 958 231
-	-
92 842	84 201
29 067	15 392
22 283	12 850
103 427	321 928
85 851	56 631
333 490	471 002
-	-
855	855
855	855

The District Municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the District Municipality's trade receivables. The fair value of other receivables approximate their carrying value.

The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 OPERATING LEASE ARRANGEMENTS

18

18.1 The Municipality as Lessee

Balance on 1 July
Movement during the year
Balance on 30 June

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year
1 to 5 Years
More than 5 Years

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

18.2 The Municipality as Lessor

Balance on 1 July
Movement during the year
Balance on 30 June

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year
1 to 5 Years
More than 5 Years

This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.

2017 R	2016 R
1 170	21 616
(1 170)	(20 447)
-	1 170
-	15 200
-	-
-	15 200
57 256	80 500
(24 811)	(23 244)
32 445	57 256
19 041	612 781
13 404	459 950
-	-
32 445	1 072 731

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CASH AND CASH EQUIVALENTS

Liabilities

Roads - Bank Account

Assets

Call Investment Deposits
Krynsa Relief Fund
Roads - Bank Account
Short term deposits
Cash
Standard Bank Account

Balance previously reported
Correction of refund from LA Retirement Fund - Note 40.3

Total Cash and Cash Equivalents - Assets

The effective interest rate was 7.3% (2016: 6.4%).
The Municipality has the following bank accounts:-

Call Investment Deposits

Included in other deposits and bank balances are an amount of R2,702,143 (2016: R17,194,853) which is attributable to unspent grants and subsidies; and R27,728,377 (2016: R24,675,638) which is attributable to the Capital Replacement Reserve.

2017 R	2016 R
-	-
150 631	142 137
984 111	-
3 808 308	11 493 654
-	45 283 027
15 883	11 233
137 670 300	98 486 936
-	98 403 822
-	63 113
142 719 233	155 396 986



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
CASH AND CASH EQUIVALENTS (CONTINUED)

Current Account (Standard Bank Account)
Standard Bank George Branch
Account Number 06 083 263 000 0

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

Cash

2017
R

2016
R

96 403 822

13 267 136

137 670 300

98 403 822

98 634 245

13 652 653

137 590 406

98 634 245

15 883

11 233

Current Account (Standard Bank Account) - Roads
Standard Bank George Branch
Account Number 06 083 263 600 0

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

11 463 654

7 426 081

3 886 308

11 493 654

11 336 422

7 245 556

3 711 227

11 336 422

Call Investment Deposits
ABSA George Branch
Account Number 01 8228 2703

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

8 454

8 080

8 882

8 454

8 454

8 089

8 882

8 454

Standard Bank George Branch
Account Number 48872744647
Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

133 683

126 128

141 749

133 683

133 683

126 128

141 749

133 683

Short term deposits
Standard Bank George Branch
Account Number 48872744654

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

-

22 500 000

-

-

-

22 500 000

-

-

First National Bank George Branch
Account Number 74541633323

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

45 283 027

22 572 123

-

45 283 027

45 283 027

22 572 123

-

45 283 027

Abesa Bank George Branch
Account Number 2075441485

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

-

22 575 205

-

-

-

22 575 205

-

-

Nedbank George Branch
Account Number 7881073772

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

-

22 576 562

-

-

-

22 576 562

-

-

Interest earned for the year on the short term investments

12 926 667

10 782 648

GOVERNMENT GRANTS AND SUBSIDIES

Unconditional

Equitable Share

Conditional

Grants and Donations

Balance previously reported

Correction of provision for Trade Payables - Note 40.5

Subsidies

Total Government Grants and Subsidies

Government Grants and Subsidies - Operating

Government Grants and Subsidies - Capital

Total Government Grants and Subsidies

2017
R

2016
R

142 063 376

138 902 000

5 453 401

21 435 187

5 453 401

21 435 187

-

21 435 187

-

20 000

-

-

147 546 780

160 337 187

147 546 780

159 793 112

-

644 075

147 546 780

160 337 187



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2017 R	2016 R
20.1 <u>Equitable Share</u>		
Opening balance	-	-
Grants received	142 063 379	136 902 000
VAT on Grants	-	-
Conditions met - Operating	(142 063 379)	(136 902 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
20.2 <u>Municipal Systems Improvement Grant (MSIG)</u>		
Opening balance	9 516	1 706
Grants received	-	930 000
VAT on Grants	-	(113 252)
Repaid to National Revenue Fund	(9 516)	-
Conditions met - Operating	-	(371 359)
Conditions met - Capital	-	(437 601)
Conditions still to be met	-	9 516
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
20.3 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	(26 242)	-
Grants received	1 250 000	1 250 000
VAT on Grants	(53 276)	(84 272)
Conditions met - Operating	(1 171 483)	(1 084 497)
Conditions met - Capital	-	(106 474)
Conditions still to be met	1	(25 242)
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
20.4 <u>Electricity Demand Side Management</u>		
Opening balance	5 367 955	5 309 964
Grants received	-	-
VAT on Grants	-	(3 933)
Repaid to National Revenue Fund	(5 367 955)	-
Conditions met - Operating	-	(28 096)
Conditions met - Capital	-	-
Conditions still to be met	-	5 367 955
Grant utilised for energy efficiency investigation within the region.		
20.5 <u>Dpt Land Affairs: District Assessment Committee</u>		
Opening balance	-	49 343
Correction of Error	-	(28 433)
Grants received	-	-
VAT on Grants	-	(2 568)
Conditions met - Operating	-	(18 342)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised to assess the land affairs within the region.		
20.6 <u>LGESTA: Re-imbursements</u>		
Opening balance	480 910	632 548
Grants received	157 284	214 326
VAT on Grants	-	-
Conditions met - Operating	-	(365 964)
Conditions met - Capital	-	-
Conditions still to be met	638 194	480 910
Grant is utilised for training purposes of municipal staff.		
Grant utilised of building sub-roads for bicycles and pedestrians.		
20.7 <u>Bucket system Elimination Schools/Clinic</u>		
Opening balance	76 317	76 317
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	(76 317)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	76 317
Grant utilised for replacing bucket system with VIP toilets.		
20.8 <u>Expanded Public Works Incentives</u>		
Opening balance	(16 646)	-
Grants received	1 000 000	1 005 000
VAT on Grants	(6 180)	(2 180)
Conditions met - Operating	(978 174)	(1 019 466)
Conditions met - Capital	-	-
Conditions still to be met	(9)	(16 646)
The grant is utilised for job creation.		
20.9 <u>Task Contributions - Municipalities</u>		
Opening balance	152 169	201 804
Grants received	190 054	180 968
Debtor	-	-
VAT on Grants	-	-
Conditions met - Operating	(246 305)	(230 603)
Conditions met - Capital	-	-
Conditions still to be met	95 918	162 169
Grant utilised for the funding of the TASK unit.		



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2017 R	2016 R
20.10 WC FMG Assistance		
Opening balance	73 618	73 516
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	(73 618)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	73 516
20.11 DWA: Abstraction Validation on Brey		
Opening balance	35 589	35 589
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	(35 589)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	35 589
20.12 RBIG & DBSA: Bulk Water Studies		
Opening balance	633 910	633 910
Correction of error	-	-
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	633 910	633 910
20.13 Integrated Transport		
Opening balance	652 742	1 938 559
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	(652 742)	(167 907)
Conditions met - Operating	-	(1 127 910)
Conditions met - Capital	-	-
Conditions still to be met	-	652 742
20.14 Municipal Disaster Recovery		
Opening balance	7 367 185	1 824 945
Grants received	-	20 949 000
VAT on Grants	-	-
Repaid to National Revenue Fund	(7 367 185)	-
Conditions met - Operating	-	(15 306 790)
Conditions met - Capital	-	-
Conditions still to be met	-	7 367 185
20.15 Mandela Memorial Celebrations		
Opening balance	136 250	136 250
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	(136 250)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	136 250
20.16 Braille Project		
Opening balance	11 645	11 645
Grants received	-	-
VAT on Grants	-	-
Repaid to National Revenue Fund	(11 645)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	11 645
20.17 WC FMG Allocations		
Opening balance	214 938	403 952
Grants received	220 000	550 000
VAT on Grants	(27 018)	(66 195)
Repaid to National Revenue Fund	(110 024)	(300 000)
Conditions met - Operating	(297 887)	(472 819)
Conditions met - Capital	-	-
Conditions still to be met	-	214 938
20.18 Nelson Mandela Biosphere Reserve Project		
Opening balance	-	38 000
Correction of error	-	(20 000)
Grants received	-	110 000
VAT on Grants	-	-
Conditions met - Operating	-	(128 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
20.19 Study: Implementation Alternative Solid Waste Tech		
Opening balance	-	(307 960)
Grants received	-	588 690
VAT on Grants	-	(34 476)
Conditions met - Operating	-	(246 255)
Conditions met - Capital	-	-
Conditions still to be met	-	-



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2017 R	2016 R
20.20 RGE & Bulk and Waste Water Infrastructure		
Opening balance	(252 622)	(252 622)
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	(252 622)	(252 622)
20.21 Rural Roads Asset Management Systems		
Opening balance	2 276 721	-
Grants received	2 364 000	2 283 000
VAT on Grants	(139 919)	(671)
Repaid to National Revenue Fund	(2 278 721)	-
Conditions met - Operating	(1 099 062)	(5 708)
Conditions met - Capital	-	-
Conditions still to be met	524 419	2 276 721
20.22 WCFMG:GRADUATE INTERNSHIP		
Opening balance	-	-
Grants received	60 000	-
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	60 000	-
20.23 Knyene Relief Fund		
Opening balance	-	-
Grants received	984 111	-
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	984 111	-
20.24 WC FMG: Financial Management System mSCOA (External Municipal Bursary Programme)		
Opening balance	-	-
Grants received	120 000	-
VAT on Grants	(679)	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(101 108)	-
Conditions met - Capital	-	-
Conditions still to be met	18 213	-
20.25 Regional Landfill Site		
Opening balance	-	-
Grants received	2 312 819	-
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(732 703)	-
Conditions met - Capital	-	-
Conditions still to be met	1 580 117	-
20.28 TOTAL GRANTS		
Opening balance	17 194 851	10 897 458
Correction of Error - Note 33.8 & 33.4	-	(48 433)
Repaid to National Revenue Fund	(16 117 460)	(300 000)
Grants received	150 751 648	166 962 884
Debtor	-	-
VAT on Grants	(226 071)	(465 353)
Conditions met - Operating	(147 320 710)	(169 307 759)
Conditions met - Capital	-	(544 076)
Conditions still to be met	4 262 259	17 194 851

See Annexure B for detailed summary of unspent grants and subsidies.

Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

Disclosed as follows:

Unspent Conditional Government Grants and Receipts

Unpaid Conditional Government Grants and Receipts

Total

4 534 882	17 489 364
(252 622)	(284 510)
4 282 260	17 194 854

21 DEPARTMENT OF TRANSPORT - ROADS SERVICES CHARGES

Department of Transport - Roads Service Charges
Income for agency services

2017 R	2016 R
144 449 812	145 198 811
15 161 626	15 533 886
159 611 440	160 732 696

Income for agency services is determined at a rate of 3% on re-surfacing and the rest at 12% of the allocated amount.

22 SALES OF GOODS AND RENDERING OF SERVICES

Cell Centre Mosselbay
Fire Fighting fees
Health Claims
Hotline Income
Resorts
Tariffs And Penalties: Health
Total Sales of Goods and Services

2017 R	2016 R
-	653 165
3 507 154	3 811 815
549 853	342 818
15 000	17 780
6 992 880	6 562 114
233 523	242 199
11 296 390	11 629 501



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

23

OPERATIONAL REVENUE

Contribution Shop Steward	
Donations	
Greenest Municipality Award	
IT Shared Services District	
Legal fees recovered	
Sundry Income	
Balance previously reported	
Correction of error - Refund received from LA Retirement Fund - Note 40.3	

Total Operational Revenue

2017 R	2016 R
7 000	602 989
258	20 801
130 000	130 000
163 628	-
360 000	277 508
1 046 963	497 559
-	434 446
-	63 113
1 707 847	1 526 987

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OTHER INCOME

Call Centre Mosselbay

Balance previously reported	
Correction of error - Transferred to Sale of Goods and Services - Note 22	

Donations

Balance previously reported	
Correction of error - Transferred to Operational Revenue - Note 23	

Fire Fighting fees

Balance previously reported	
Correction of error - Transferred to Sale of Goods and Services - Note 22	

Greenest Municipality Award

Balance previously reported	
Correction of error - Transferred to Operational Revenue - Note 23	

Health Claims

Balance previously reported	
Correction of error - Transferred to Sale of Goods and Services - Note 22	

Hotline Income

Balance previously reported	
Correction of error - Transferred to Sale of Goods and Services - Note 22	

Legal fees recovered

Balance previously reported	
Correction of error - Transferred to Operational Revenue - Note 23	

Resorts

Balance previously reported	
Correction of error - Transferred to Sale of Goods and Services - Note 22	

Sundry Income

Balance previously reported	
Correction of error - Transferred to Operational Revenue - Note 23	

Tariffs And Penalties: Health

Balance previously reported	
Correction of error - Transferred to Sale of Goods and Services - Note 22	

Total Other Income

2017 R	2016 R
-	-
-	553 165
-	(553 165)
-	-
-	20 801
-	(20 801)
-	-
-	3 811 615
-	(3 811 615)
-	-
-	130 000
-	(130 000)
-	-
-	342 618
-	(342 618)
-	-
-	17 790
-	(17 790)
-	-
-	-
-	-
-	6 562 114
-	(6 562 114)
-	-
-	497 559
-	(497 559)
-	-
-	242 199
-	(242 199)
-	-

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EMPLOYEE RELATED COSTS

Basic Salaries and Wages	
Overtime	
Bonuses	
Housing Allowances	
Motor Vehicle Allowance	
Cellphone Allowance	
Other benefits and allowances	
Medical Aid Contributions	
Payments in lieu of leave	
Pension and UIF Contributions	
Contribution to provision - Post Retirement Medical	
Contribution to provision - Long Service Awards	
Contribution to provision - Ex-gratia pensions	

Total Employee Related Costs

2017 R	2016 R
85 594 237	85 378 046
2 831 218	1 390 901
478 536	453 131
802 614	797 284
6 166 705	6 464 918
5 700	5 000
2 651 991	2 091 663
9 021 763	8 315 519
6 126 615	6 110 359
10 662 149	9 562 541
4 803 425	4 670 492
1 124 636	901 282
(40 686)	(57 404)
110 628 691	106 361 721

Employee related costs- Salaries and Wages	
Employee related costs - Contribution for UIF, pensions and medical aids	
Grant funded employee related costs	
Travel, motor car, accommodation, subsistence and other allowances	
Housing benefits and allowances	
Overtime payments	
Performance bonus	
Re-allocation costs	
Leave Payment	
Leave Bonus	
Increase In Provision for Health Care Benefits	
Increase In Provision for Long Service Awards	
Decrease In Provision for Ex-Gratia Pensions	

Total Employee Related Costs

85 598 056	83 186 962
21 181 707	19 026 818
-	2 189 084
7 226 601	7 173 823
802 614	797 284
2 627 399	1 390 901
478 536	453 131
-	240 000
1 447 887	1 588 284
4 678 726	4 522 075
4 803 425	4 670 492
1 124 636	901 282
(40 686)	(57 404)
110 026 691	106 361 722



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the previous Municipal Manager (G Louw)

Basic Salary
Pension and UIF Contributions
Medical Aid Contributions
Performance Bonus
Motor Vehicle Allowance
Cellphone Allowance
Other benefits and allowances
Payments in lieu of leave
Post-retirement benefit obligations

Total

2017 R	2016 R
8 Months	12 Months
741 864	1 164 553
38 977	115 923
23 208	-
206 006	182 529
133 180	208 929
7 145	12 000
2 647	-
62 829	-
133 319	-
1 346 074	1 694 934

Remuneration of the current Municipal Manager (MG Struwig)

Basic Salary
Pension and UIF Contributions
Medical Aid Contributions
Performance Bonus
Motor Vehicle Allowance
Cellphone Allowance
Other benefits and allowances
Post-retirement benefit obligations

Total

2017 R	2016 R
3 Months	12 Months
374 020	-
28 217	-
32 952	-
-	-
107 075	-
24 000	-
13 453	-
2 760	-
582 477	-

Remuneration of Executive Manager Finance: L Hoek

Basic Salary
Annual Bonus
Pension and UIF Contributions
Medical Aid Contributions
Motor Vehicle Allowance
Cellphone Allowance
Other benefits and allowances

Total

2017 R	2016 R
12 Months	12 Months
767 420	704 520
62 970	68 883
150 511	174 503
71 952	-
134 821	129 682
11 040	11 040
1 328	-
1 200 042	1 088 609

Remuneration of the Executive Manager Corporate/Strategic Services: B Holtshausen

Basic Salary
Annual Bonus
Pension and UIF Contributions
Medical Aid Contributions
Motor Vehicle Allowance
Cellphone Allowance
Other benefits and allowances
Post-retirement benefit obligations

Total

2017 R	2016 R
12 Months	12 Months
869 636	810 603
33 000	30 000
170 782	147 782
164 604	113 455
117 947	122 494
16	-
1 907	-
65 202	-
1 442 862	1 224 214

Remuneration of the Executive Manager Community Services: C Africa

Basic Salary
Pension and UIF Contributions
Medical Aid Contributions
Performance Bonus
Motor Vehicle Allowance
Cellphone Allowance
Housing Allowances
Other benefits and allowances
Payments in lieu of leave

Total

2017 R	2016 R
12 Months	12 Months
977 621	788 045
114 628	158 823
59 856	-
147 701	113 455
88 658	84 984
2 061	5 931
84 000	84 000
17 323	-
86 679	-
1 576 527	1 245 218

Remuneration of the Executive Manager Roads: JC Ottervanger

Basic Salary
Annual Bonus
Pension and UIF Contributions
Medical Aid Contributions
Motor Vehicle Allowance
Cellphone Allowance
Housing Allowances
Other benefits and allowances

Total

2017 R	2016 R
12 Months	12 Months
683 797	620 786
55 929	51 526
126 834	160 871
78 860	-
163 688	175 557
9 600	9 600
50 904	5 600
12 677	-
1 172 589	1 023 939

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EMPLOYEE RELATED COSTS - ROADS

Employee related costs- Salaries and Wages
Employee related costs - Contribution for UIF, pensions and medical aids
Travel, motor car, accommodation, subsistence and other allowances
Housing benefits and allowances
Overtime payments
Leave Payment
Leave Bonus
Total Employee Related Costs

2017 R	2016 R
41 407 443	38 406 083
15 948 389	14 301 668
62 200	1 443 742
1 007 966	989 390
826 315	1 103 669
421 340	994 209
3 364 118	3 189 068
63 017 771	60 440 070



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
REMUNERATION OF COUNCILLORS

27

	2017 R	2016 R
Councillor -T Fortuin	287 375	-
Councillor -NF Kamte	274 333	-
Councillor -MP Mapiiza	284 244	-
Councillor -CN Licheba	311 084	-
Councillor -T van Rensburg	300 868	-
Councillor -RE Spies	284 773	-
Councillor -Teyal	42 806	-
Councillor -KS Loe	612 144	-
Councillor -D Saayman	293 066	-
Councillor -BN van Wyk	281 180	-
Councillor -AJ Roosouw	300 984	-
Councillor -I Stamele	379 708	-
Councillor -EH Stroebe	36 137	-
Councillor -RS Figland	36 137	-
Councillor -V Gercke	107 113	-
Councillor -BHJ Groenewald	63 880	-
Councillor -E Meyer	368 156	-
Councillor -RH Ruiters	428 452	-
Councillor -JJC Lambaet	386 003	-
Councillor -RR Wideschut	57 339	-
Councillor -K Windvogel	53 509	-
Councillor -L Tyokolo	64 291	-
Councillor -MS Willems	436 360	-
Councillor -MV Molca	50 857	-
Councillor -EM Odendaal	65 280	-
Councillor -IT Mangalao	48 686	-
Councillor -NG Jacob	69 071	-
Councillor -M Booysse	641 763	-
Councillor -Vi van der Westhuizen Vi	73 869	419 399
Balance previously reported	-	434 671
Correction of error - Transferred to Operational Cost: Subsistence and Travel - Note 22	-	(15 172)
Councillor -LBC Esau LBC	52 775	450 938
Balance previously reported	-	459 908
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(6 973)
Councillor -D Naylor	57 842	414 301
Balance previously reported	-	442 054
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(27 754)
Councillor -J du Toit	40 301	285 842
Councillor -JJA Koesegelenberg	84 084	644 841
Balance previously reported	-	647 287
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(2 446)
Councillor -J Maxim	-	382 372
Balance previously reported	-	368 369
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(5 997)
Councillor -SF May	78 798	618 481
Councillor -HJ McComb	54 331	628 391
Balance previously reported	-	635 821
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(7 430)
Councillor -T Simmers	655 600	620 156
Balance previously reported	-	629 124
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(6 968)
Councillor -CN Ngalo	33 527	259 104
Councillor -V Waxa	-	283 125
Councillor -MM Mballi	941	10 311
Councillor -N Ndayi	242 806	23 622
Councillor -NA Bityi	34 576	254 376
Councillor -NC Boodien	1 307	16 703
Councillor -M Fellea	29 683	254 376
Councillor -HJ Floors	33 872	267 588
Councillor -JJ Gerber	5 566	13 662
Councillor -JG Janse van Rensburg	28 951	301 402
Councillor -SS Mbendezi	54 474	13 581
Councillor -WP Mashoa	3 286	32 597
Councillor -Ngemntu	-	122 548
Councillor -GC Niehaus	982	22 126
Councillor -LN Qupe	982	19 240
Councillor -CM Skisakak	34 982	279 311
Councillor -NM Tande	38 090	283 202
Councillor -T Teylal	2 888	28 880
Councillor -PJ van der Hoven	42 606	42 328
Councillor -D van Rensburg	-	8 842
Councillor -D Xego	333 686	324 087
Balance previously reported	-	330 882
Correction of error - Transferred to Sale of Goods and Services - Note 22	-	(6 795)
Councillor -D Abrahams	3 323	8 845
Councillor -R Johannes	-	2 304
Councillor -AM Joubert	7 238	16 596
Councillor -J Johnson	472 401	128 273
Councillor -JE Gouws	5 586	1 727
Councillor -D Kamfer	34 633	251 390
Councillor -SF de Vries	291 580	1 252
Councillor -M Wegenaar	6 051	18 116
Total Councillors' Remuneration	9 421 247	7 702 185

Remuneration paid to Councillors can be summarised as follows:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	514 515	78 014	107 958	17 174	715 661
Deputy Mayor	420 321	51 905	-	-	481 226
Speaker	468 442	25 780	-	-	494 202
Chief Whip	279 386	16 502	41 512	-	337 378
Executive Committee Members	2 586 546	440 816	54 682	106 380	3 168 505
Councillors	3 397 174	411 059	276 280	138 750	4 224 273
Total Councillors' Remuneration	7 665 363	1 022 188	480 421	263 304	9 421 247



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 REMUNERATION OF COUNCILLORS (Continued)

In-kind benefits

The Mayor may utilise official Council transportation when engaged in official duties.

Remuneration of political office bearers and councillors

Remuneration of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

DEPRECIATION AND AMORTISATION

Property, Plant and Equipment

Balance previously reported

Correction of assets identified for the first time - Note 40.1

Correction of assets previously disposed now found - Note 40.1

Investment Property

Intangible Assets

2017
R

2016
R

2 528 051

2 694 871

-

2 682 670

-

12 013

-

188

112 185

116 036

391 954

479 510

3 032 190

3 290 418

REPAIRS AND MAINTENANCE

Buildings

Balance previously reported

Correction of error: MSCOA reclassification - Note 39

Electricity

Balance previously reported

Correction of error: MSCOA reclassification - Note 39

Equipment

Balance previously reported

Correction of error: MSCOA reclassification - Note 39

Fleet Vehicles

Balance previously reported

Correction of error: MSCOA reclassification - Note 39

General Maintenance & Complaints

Balance previously reported

Correction of error: MSCOA reclassification - Note 39

2017
R

2016
R

-

-

-

1 589 008

-

(1 589 008)

-

-

-

76 325

-

(76 325)

-

-

-

1 129 205

-

(1 129 205)

-

-

-

130 836

-

(130 836)

-

-

-

216 634

-

(216 634)

FINANCE COST

Long-term liabilities

Water and Electricity

SARS

Lefatshe

Total Interest on External Borrowings

56

25 790

-

19 853

8 410

3 336

-

160 722

8 466

199 503



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
CONTRACTED SERVICES

Outsourced Services

Business and Advisory: Occupational Health and Safety
Catering Services
Fire Services
Medical Services (Medical Health Services & Support)
Security Services

Balance previously reported
Correction of previous year creditor provision - Note 40

Consultants and Professional Services

Business and Advisory: Accounting and Auditing

Balance previously reported
Correction of previous year creditor provision - Note 40

Business and Advisory: Commissions and Committees
Business and Advisory: Human Resources

Balance previously reported
Correction of previous year creditor provision - Note 40

Business and Advisory: Organisations
Business and Advisory: Research and Advisory

Balance previously reported
Correction of previous year creditor provision - Note 40

Infrastructure and Planning: Engineering - Civil
Infrastructure and Planning: Town Planner
Laboratory Services: Medical
Legal Cost: Legal Advice and Litigation

Balance previously reported
Correction of previous year creditor provision - Note 40

Contractors

Maintenance of Buildings and Facilities

Balance previously reported
Correction of previous year creditor provision - Note 40

Maintenance of Equipment
Plants, Flowers and Other Decorations
Safeguard and Security

Balance previously reported
Correction of previous year creditor provision - Note 40

Transportation

Total Contracted Services

2017 R	2016 R
4 945 144	17 687 991
108 562	53 322
280 861	148 043
4 325 108	17 477 950
119 507	73 688
133 076	134 917
-	134 517
-	400
21 070 066	6 883 899
2 277 362	3 009 320
-	2 775 660
-	233 660
1 053	3 271
805 200	479 017
-	477 757
-	1 260
111 080	66 604
2 901 255	1 593 086
-	1 574 086
-	19 000
76 312	368 740
736 484	-
190 719	390 203
14 870 560	1 043 456
-	1 037 393
-	6 065
3 432 686	2 278 206
2 303 626	1 372 783
-	343 424
-	1 029 359
708 482	608 480
10 156	21 009
363 212	275 934
-	247 501
-	26 432
27 018	-
30 347 848	27 150 836

	Balance previously reported 2016	Transferred to:	Sub-Class	Restated Balance 2016
Asset Verification: BAUD	78 513	Contracted Services	Outsourced Services	-
Assistance: Year-end procedures	1 705 717	Contracted Services	Consultants and Professional Services	-
Disaster Management	171 175	Contracted Services	Outsourced Services	-
DWAF Chemical Water Sampling	-	Contracted Services	Consultants and Professional Services	-
Environmental Management: Studies & other services	214 117	Contracted Services	Consultants and Professional Services	-
Electricity Demandside Management	26 096	Contracted Services	Consultants and Professional Services	-
Fax Machines, Copiers & Maintenance Agreements	303 012	Contracted Services	Contractors	-
Fire Fighting Services	2 005 723	Contracted Services	Outsourced Services	-
Financial Management Assistance	330 318	Contracted Services	Consultants and Professional Services	-
Furniture Removal	-	Contracted Services	Contractors	-
Internal Audit Training	257 831	Contracted Services	Consultants and Professional Services	-
Integrated Transport Plan	1 127 910	Contracted Services	Contractors	-
Laboratory Tests	216 721	Contracted Services	Consultants and Professional Services	-
Laundry Services	137 897	Operational Cost	Cleaning Services	-
License & Support Agreements	1 017 085	Operational Cost	Various	-
LG SETA & TASK	-	Contracted Services	-	-
Maintenance Plans	20 954	Contracted Services	Contractors	-
Management Training	69 803	Contracted Services	Consultants and Professional Services	-
Contracted Services	-	Contracted Services	-	-
RBIG & DBSA Bulk Water Studies	-	Contracted Services	Consultants and Professional Services	-
Regional Landfill Site	245 255	Contracted Services	Consultants and Professional Services	-
Security Services	351 916	Contracted Services	Outsourced Services	-
Tourism	127 492	Operational Cost	Advertising, Publicity and Marketing	-
	6 430 515			-

ROADS - OPERATING EXPENDITURE

General Expenses
Contributions to Capital

2017 R	2016 R
80 603 598	83 000 864
628 453	1 757 977
81 432 041	84 758 840



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 TRANSFERS AND SUBSIDIES

33

Monetary Allocations

Households	
Non-profit Institutions	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Private Enterprises	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Public Corporations	
Total Transfers and Subsidies	

2017 R	2016 R
1 314 907	824 882
126 347	111 376
299 870	807 686
-	572 686
-	35 000
218 852	105 821
-	81 981
-	49 860
669 836	-
1 314 907	824 882

34

OPERATIONAL COST

Advertising, Publicity and Marketing	
Assets less than the Capitalisation Threshold	
Audit Fees	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Bank Charges, Facility and Card Fees	
Bursaries (Employees)	
Cleaning Services	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Communication	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Contribution to Provisions - Alien Vegetation	
Consumables - Domestic Expenses	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Consumables - Plant	
Consumables - Sundry Expenses	
Consumables - Vermin Control	
Consumables - Material	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Consumables - Disposable Equipment	
Consumables - Other Materials	
Consumables - Repairs and Maintenance	
Courier and Delivery Services	
Deeds	
Entertainment	
External Computer Service	
Full Time Union Representative	
Hire Charges	
Insurance Underwriting	
Leaverships and Internships	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Licences	
Management Fee	
Municipal Services	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Printing, Publications and Books	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Professional Bodies, Membership and Subscription	
Registration Fees	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Samples and Specimens	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Skills Development Fund Levy	
Storage of Files (Archiving)	
System Access and Information Fees	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Travel and Subsistence	
Uniform and Protective Clothing	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Vehicle Tracking	
Wet Fuel	
Balance previously reported	
Correction of previous year creditor provision - Note 40	
Total Operational Cost	

2017 R	2016 R
853 389	594 736
780 921	6 901
2 830 682	2 649 043
-	2 647 769
-	1 274
158 894	144 432
242 129	176 888
241 531	234 870
-	208 858
-	26 012
2 913 582	3 007 266
-	2 763 449
-	243 817
(1 273 731)	(454 305)
286 391	281 888
-	281 113
-	785
158 071	217 605
-	5 756
864	701
20 173	8 308
-	7 743
-	565
110 781	85 698
143 724	134 858
1 143 147	1 318 288
8 193	1 675
-	3 140
20 003	32 342
1 537 746	1 338 470
-	32 265
70 192	75 001
394 925	686 135
440 894	592 376
-	590 306
-	2 069
1 604 432	109 264
-	596 033
3 607 604	3 640 731
-	3 231 234
-	309 497
1 154 615	902 047
-	902 860
-	(812)
1 160 322	1 082 283
57 026	72 832
-	51 779
-	21 053
863 483	608 420
-	810 281
-	(871)
792 105	744 025
53 526	116 593
135 474	135 474
-	134 087
-	1 386
1 137 512	1 121 001
241 549	243 737
-	244 183
-	(445)
795	2 228
921 425	655 005
-	654 657
-	347
22 702 707	21 319 990



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Balance previously reported 2016	Transferred to:	Sub-Class	Restated Balance 2016
35 GENERAL EXPENSES				
Included in general expenses are the following: -				
Advertisements	357 962	Operational Cost:	Advertising, Publicity and Marketing	-
Audit Fees	2 647 769	Operational Cost:	Audit Fees	-
Bank Charges	144 432	Operational Cost:	Bank Charges, Facility and Card Fees	-
Computer Programs	25 000	Operational Cost:	External Computer Services	-
Contribution Full time Shopsteward	32 286	Operational Cost:	Full Time Union Representative	-
Courier Services	1 675	Operational Cost:	Courier and Delivery Services	-
Deeds	3 140	Operational Cost:	Deeds	-
Disposable Equipment	88 699	Operational Cost:	Assets less than the Capitalisation Threshold	-
Domestic Expenses	281 113	Operational Cost:	Consumables - Domestic Expenses	-
Employee Support	37 989	Contracted Services	Consultants and Professional Services	-
Entertainment Allowances	32 342	Operational Cost:	Entertainment	-
Health Advisory Committee	3 271	Contracted Services	Consultants and Professional Services	-
Health Education	9 750	Contracted Services	Outsourced Services	-
Insurance	888 135	Operational Cost:	Insurance Underwriting	-
Laboratory Test	810 291	Operational Cost:	Samples and Specimens	-
Laundry Service	145 321	Operational Cost:	Cleaning Services	-
Legal Fees	1 037 393	Contracted Services	Consultants and Professional Services	-
License fees	105 824	Operational Cost:	Licences	-
Material	7 743	Operational Cost:	Consumables - Other Material	-
Membership fees	1 082 283	Operational Cost:	Professional Bodies, Membership and Subscription	-
Operating Projects	1 877 701	Various		-
Personnel Contribution Mission Street	598 033	Operational Cost:	Management Fee	-
Plant	878 876	Various		-
Postage/ Post Box Rental	42 494	Operational Cost:	Communication	-
Printing & Stationery	902 880	Operational Cost:	Printing, Publications and Books	-
Protective Clothing	244 183	Operational Cost:	Uniform and Protective Clothing	-
Public Relations	6 393	Operational Cost:	Advertising, Publicity and Marketing	-
Purchase Matresses	8 901	Operational Cost:	Assets less than the Capitalisation Threshold	-
Rates & Taxes	748 434	Operational Cost:	Municipal Services	-
Refreshments	148 043	Contracted Services	Outsourced Services	-
Registration Fees: Congresses	51 779	Operational Cost:	Registration Fees	-
Rent	409 706	Operating Leases		-
Rent Disaster Centre Equipment	54 028	Operational Cost:	Hire Charges	-
Repayment: Eden Employees (3G)	29 314	Operational Cost:	Communication	-
Security	90 482	Contracted Services	Outsourced Services	-
Services Accounts	2 484 801	Operational Cost:	Municipal Services	-
Skills Development Levy	744 025	Operational Cost:	Skills Development Fund Levy	-
Strategic Planning	8 166	Contracted Services	Consultants and Professional Services	-
Study Assistance	178 888	Operational Cost:	Bursaries (Employees)	-
Subsistence & Travel	1 037 486	Operational Cost:	Travel and Subsistence	-
Sundry Expenses	40 408	Various		-
Sundry Expenses - Grant funded	15 306 760	Various		-
Telephone/Data lines	2 891 641	Operational Cost:	Communication	-
Training	580 306	Operational Cost:	Learnships and Internships	-
Vermin Control	701	Operational Cost:	Consumables - Vermin Control	-
Wreaths & Bouquets	21 009	Operational Cost:	Contractors	-
Total General Expenses	36 738 831			-
36 (IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS OF RECEIVABLES				
			2017 R	2016 R
Receivables from Exchange Transactions - Note 22			415 960	5 424 800
Receivables from Non-exchange Revenue - Note 23			22 688	948 252
Total (Impairment Loss)/ Reversal of Impairment Loss on Receivables			438 648	6 073 053
37 GAIN/ (LOSS) ON SALE OF ASSETS				
			2017 R	2016 R
Property, plant and equipment			(288 960)	(123 259)
Intangible assets			-	-
Investment property			-	-
Total Gain/ (Loss) on Sale of Assets			(288 960)	(123 259)
38 (IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT LOSS ON FIXED ASSETS				
			2017 R	2016 R
Property, plant & equipment			(73 431)	-
Land and Buildings			-	-
Other			(73 431)	-
Total (Impairment Loss)/ Reversal of Impairment Loss on Fixed Assets			(73 431)	-



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has started with a process during the year to align items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. The reclassification of 2016 audited amounts can be summarised as follows:

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Capital Replacement Reserve	(24 675 636)	-	(24 675 636)
Accumulated (Surplus)/Deficit	(232 133 932)	-	(232 133 932)
Non-current Provisions	(2 590 355)	-	(2 590 355)
Non-current Employee Benefits Provisions	(137 152 862)	-	(137 152 862)
Current Employee Benefits Provisions	(2 376 823)	-	(2 376 823)
Current Employee Benefits	(25 643 306)	-	(25 643 306)
Payables from exchange transactions	(11 705 954)	11 705 954	-
Trade and Other Payables from exchange transactions	-	(11 705 954)	(11 705 954)
Unspent Conditional Government Grants and Receipts	(17 537 796)	17 537 796	-
Unspent Transfers and Subsidies	-	(17 537 796)	(17 537 796)
Operating Lease Liability	(1 170)	-	(1 170)
Property, Plant and Equipment	140 878 357	-	140 878 357
Investment Property	85 644 952	-	85 644 952
Intangible Assets	1 851 194	-	1 851 194
Investments	26 027	-	26 027
Non-Current Employee Benefits	57 877 544	-	57 877 544
Inventory	3 365 246	-	3 365 246
Receivables from exchange transactions	3 415 421	-	3 415 421
Receivables from non-exchange transactions	1 753 131	-	1 753 131
Unpaid Conditional Government Grants and Receipts	294 510	(294 510)	-
Unpaid Transfers and Subsidies	-	294 510	294 510
Operating Lease Asset	57 258	-	57 258
Taxes	33 046	-	33 046
Employee Benefits	3 195 074	-	3 195 074
Cash and Cash Equivalents	155 333 873	-	155 333 873
	-	-	-
Statement of Financial Performance			
Regional Services Levies Equitable Share	(138 902 000)	138 902 000	-
Government Grants Received	(21 415 187)	21 415 187	-
Government Grants and Subsidies	-	(160 317 187)	(160 317 187)
Contributed Property, Plant and Equipment	-	(28 846)	(28 846)
Actuarial Gains	-	(462 685)	(462 685)
Department of Transport - Roads Service Charges	(160 732 594)	-	(160 732 594)
Sales of Goods and Rendering of Services	-	(11 529 502)	(11 529 502)
Actuarial Gain	(482 685)	482 685	-
Contribution Shop Steward	(602 999)	602 999	-
Contributed PPE	(28 846)	28 846	-
Rental from Fixed Assets	(1 282 078)	-	(1 282 078)
Interest earned - external investments	(10 782 549)	-	(10 782 549)
Interest earned - outstanding debtors	(1 106 479)	-	(1 106 479)
Licenses and permits	(122 064)	-	(122 064)
Other Income	(12 392 258)	12 392 258	-
Stock gains	(55 579)	55 579	-
Decrease in Provision for Alien Vegetation	(454 305)	454 305	-
Operational Revenue	-	(1 465 755)	(1 465 755)
Employee related costs	106 381 722	(1)	106 381 721
Employee related costs - Roads	60 440 070	-	60 440 070
Remuneration of Councillors	7 785 720	(83 534)	7 702 185
Bad Debts Written Off	-	1 274 348	1 274 348
Impairment of Trade Receivables	7 817 253	(7 817 253)	-
Actuarial Loss	119 120	-	119 120
Contracted Services	8 430 515	16 840 407	25 270 922
Depreciation and Amortisation	-	3 278 216	3 278 216
Depreciation	2 798 706	(2 798 706)	-
Amortisation	479 510	(479 510)	-
Finance Charges	199 503	(199 503)	-
Finance Cost	-	199 503	199 503
Inventory Consumed	-	-	-
Unamortised Discount - Interest	-	9 410	9 410
Unamortised Discount	9 410	(9 410)	-
Operating Leases	-	408 706	408 706
Transfers and Subsidies	-	748 022	748 022
Repairs and maintenance	3 900 347	-	3 900 347
General Expenses	36 738 829	(36 738 829)	-
Loss on disposal of property, plant and equipment	163 113	(163 113)	-
Roads - Operating Expenditure	84 758 842	-	84 758 842
Operational Cost	-	18 371 823	18 371 823
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	(55 670)	(55 670)
Gain/(Loss) on Sale of Fixed Assets	-	163 113	163 113
(Impairment Loss)/Reversal of Impairment Loss on Fixed Assets	-	6 642 905	6 642 905
Profit/(Loss) on Fair Value Adjustments	-	-	-
Net Surplus/(Deficit) for the year	(28 347 864)	-	(28 347 864)



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 CORRECTION OF ERROR IN TERMS OF GRAP 3

During the current financial year, the District Municipality had corrected the following prior period errors:

40.1 Property Plant and Equipment

Balance previously reported - 30 June

Correction of assets previously disposed now found - Note 11 & 40.7
Correction of assets identified for the first time - Note 11, 40.8

Restated Balance

Property Plant and Equipment

Balance previously reported - 30 June

Correction of assets previously disposed now found - Note 11 & 40.7
Correction of assets identified for the first time - Note 11, 32.9 & 40.7

Restated Balance

40.2 Payables from exchange transactions

Balance previously reported - 30 June

Correction of VAT portion on provision for impairment on trade receivables - Note 8, 32.6
Correction of incorrect calculations of previous year provision for trade payables - Note 8, 32.6

Restated Balance

40.3 Cash and Cash Equivalents

Balance previously reported - 30 June

Correction of refund from LA Retirement Fund

Restated Balance

40.4 Other Receivables from Non-Exchange Transactions

Balance previously reported - 30 June

Correction of incorrect calculations of previous year provision for trade payables - Note 8, 32.6

Restated Balance

40.5 Unspent Conditional Grants

Balance previously reported - 30 June

Correction of incorrect calculations of previous year provision for trade payables - Note 8, 32.6
Correction of Unspent Grants: Department of Land Affairs - Note 8

Restated Balance

40.6 Accumulated Surplus/(Deficit)

Correction of Unspent Grant: Department of Land Affairs - Note 11 & 40.1
Correction of assets identified for the first time - Note 11, 40.1
Correction of VAT portion on provision for impairment on trade receivables - Note 8, 32.6
Correction of incorrect calculations of previous year provision for trade payables - Note 8, 32.6

Total amount credited/(debited) to accumulated surplus due to implementation of GRAP

40.7 Changes to Statement of Financial Performance

Correction of incorrect calculations of previous year provision for trade payables - Note 8, 32.6
Correction of assets previously disposed now found - Note 11 & 40.1
Correction of assets identified for the first time - Note 11, 40.1
Correction of VAT portion on provision for impairment on trade receivables - Note 8, 32.6
Correction of LA Retirement Fund refund received - Note 8 & 32.2

Total amount credited/(debited) to Statement of Financial Performance due to implementation of GRAP

41 ACTUARIAL (GAIN) / LOSS

Eden

Actuarial Gains

Long Service Leave Benefits
Post Employment Health Care Benefits
Ex-Gratia Pension Awards

Actuarial Loss

Post Employment Health Care Benefits
Long Service Leave Benefits

2016	2015
Cost	Cost
R	R
336 520 331	335 053 237
182 443	-
168 302	168 302
336 871 076	335 221 539
2016	2015
Accumulated	Accumulated
Depreciation	Depreciation
R	R
38 881 767	34 502 437
142 777	-
100 237	96 224
37 112 761	34 598 661
2016	2015
R	R
11 705 964	23 191 545
(178 785)	(469 852)
1 126 626	-
12 653 795	22 721 693
R	R
2016	2015
155 333 873	111 062 727
63 113	-
155 396 986	111 062 727
R	R
2016	2015
1 753 131	2 171 786
121 026	-
1 874 157	2 171 786
R	R
2016	2015
17 537 796	11 458 071
(20 000)	-
(28 433)	(28 433)
17 489 363	11 429 638
R	R
	26 433
	72 079
	(261 067)
	-
	(190 555)
R	R
	(985 501)
	39 667
	(12 013)
	468 852
	63 113
	(424 982)
2017	2016
R	R
(411 356)	(380 556)
(4 084 581)	-
(52 776)	(102 127)
(4 548 713)	(482 665)
-	119 120
-	-
-	119 120



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 CASH GENERATED FROM OPERATIONS

42

(Deficit) for the year from Continued Operations
Adjustments for: -
Depreciation
Contributed PPE
Grants received
Grants Repaid to National Revenue Fund
Grants recognised as revenue
Gain on disposal of property, plant and equipment
Loss on disposal of property, plant and equipment
Impairments
Contribution to Non-Current Provisions
Actuarial (Gain)/Loss
Employee benefits paid
Contribution to employee benefits
Contribution to bad debt provision
Current employee benefits paid
Contribution to Current Employee Benefits
Investment income
Interest paid

2017 R	2016 R
12 953 983	27 922 683
3 032 190	3 290 416
-	(28 848)
150 761 648	166 982 985
(16 117 460)	(300 000)
(147 548 781)	(160 337 187)
-	-
268 960	123 259
73 431	-
(1 279 731)	(454 305)
(8 983 321)	(1 223 025)
(6 765 927)	(6 532 065)
16 921 271	15 795 829
458 477	6 542 905
(9 355 598)	(5 862 929)
10 396 600	6 863 561
-	-
-	-

Operating deficit before working capital changes

4 812 742	52 763 481
-----------	------------

(Increase)/Decrease in inventory
Increase/(decrease) in Operating Lease Liability
Increase/(Decrease) in Operating Lease Asset
Increase/(Decrease) in Trade Receivables from exchange transactions
Increase/(Decrease) in Other Receivables from non-exchange transactions
Increase/(decrease) in creditors
(Increase)/Decrease in VAT

233 785	134 798
(1 170)	(20 447)
24 811	23 244
(2 813 220)	4 462 597
(4 426 245)	1 448 005
(1 437 886)	(10 628 817)
(2 717 989)	2 491 596

Cash generated / (utilized in) operations

(6 328 174)	50 474 457
-------------	------------

43

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following amounts in the statement of financial position:

Bank balances and cash
Call deposits

2017 R	2016 R
142 588 602	155 254 849
150 631	142 137

Total cash and cash equivalents

142 719 233	155 396 986
-------------	-------------

44

UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 3)
Used to finance property, plant and equipment - at cost
Sub-total
Cash set aside for the repayment of long-term liabilities (see note 3)
Cash invested for repayment of long-term liabilities

2017 R	2016 R
-	-
-	-
-	-
-	-
-	-

Long-term liabilities have been utilized accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date. Loans were redeemed during March 2016.

45

RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 19
Investments - Note 14

2017 R	2016 R
142 719 233	155 396 986
26 027	26 027

Less:

Unspent Committed Conditional Grants - Note 9
Operating Lease Liability - Note 18

142 745 260	155 423 013
4 534 880	17 490 533
4 534 880	17 489 363
-	1 170

Net cash resources available for internal distribution
Allocated to:

138 210 360	137 932 480
-------------	-------------

Capital Replacement Reserve

(27 728 373)	(24 675 638)
--------------	--------------

Resources available for working capital requirements

110 482 007	113 256 843
-------------	-------------



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 BUDGET INFORMATION

46.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to variances, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

46.2 Explanation of variances greater than 5%: Final Budget and Actual Amounts

Statement of Financial Position

Current Assets

Cash

Under spending on operational budget increased cash reserves.

Variance	Variance
2017	2017
R	%

14 011 602	9.63%
------------	-------

Consumer Debtors

Write-off of long outstanding debt in terms of Council decision/

(11 363 514)	-321.60%
--------------	----------

Other Debtors

Not Material

6 573 160	56.79%
-----------	--------

Current Portion of long-term receivables

Increase in post retirement benefit liability, increased the long term debtor of Province

1 048 368	27.55%
-----------	--------

Inventory

Lower level of stock on hand

(719 640)	-22.06%
-----------	---------

Non-Current Assets

Long-term Receivables

Decrease in post retirement benefit liability, decrease the long term debtor of Province

(4 756 680)	-8.27%
-------------	--------

Current Liabilities

Trade and Other Payables

Municipality attempted to clear as many creditors as possible by year-end.

(40 347 307)	-256.16%
--------------	----------

Provisions and Employee Benefits

Increase in post retirement benefit liability.

25 690 463	60.12%
------------	--------

Net Assets

Reserves

Additional amounts transferred to the CRR to fund future capital budget.

6 358 373	22.93%
-----------	--------

Statement of Financial Performance

Revenue

Rental of facilities and equipment

Budgeted rental from cellphone towers did not materialise.

(774 181)	-119.08%
-----------	----------

Interest earned - external investments

The investment of surplus funds were managed more effectively than anticipated.

2 152 067	16.66%
-----------	--------

Expenditure

Employee related costs

Difference is not material.

3 936 408	3.58%
-----------	-------

Employee related costs - Department of Transport

Employee related costs for Roads employees were budgeted for under Other Expenditure.

63 017 771	100.00%
------------	---------

Remuneration of councillors

Grading of municipality upgraded from grade 4 to a grade 5 which increased the remuneration of the Councilors.

1 677 040	16.74%
-----------	--------

Debt impairment

Council decision to write off old long outstanding debt.

3 316 163	75.78%
-----------	--------

Depreciation & asset impairment

Asset were procured later than expected therefore the depreciation and amortisation commenced later.

(564 349)	-18.17%
-----------	---------

Contracted services

Some items previously classified under General Expenditure were reclassified to Contracted Services in anticipation of the new MSCOA classification.

12 649 943	41.68%
------------	--------

Transfers and Grants

Some items previously classified under General Expenditure were reclassified to Transfers and Subsidies in anticipation of the new MSCOA

1 314 607	100.00%
-----------	---------

Other expenditure

Employee related costs of Roads Employees were included under this section. Substantial savings on anticipated spending was also achieved. Some

(105 616 520)	-100.03%
---------------	----------

Cash Flow Statement

Cash Flow from Operating Activities

Other receipts

Budget was based on prior year receipts but prior year had large number of prepayments which was not the case this year.

(38 600 852)	-24.94%
--------------	---------

Government - operating

More operational grants received than originally anticipated.

17 930 675	12.15%
------------	--------

Interest

The investment of surplus funds were managed more effectively than anticipated.

3 329 555	23.61%
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Cash Flow from Investing Activities

Capital assets

Underspending on the capital budget.

532 784	-8.62%
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EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

47

47.1 Unauthorised expenditure

	2017 R	2016 R
Reconciliation of unauthorised expenditure		
Opening balance	78 403	295 484 810
Unauthorised expenditure current year	800 288	76 403
Approved by Council to be written off	-	(295 484 810)
Transfer to receivables for recovery	-	-
	878 692	76 403

The unauthorised expenditure will be presented to Council in the 2016/2017 financial year for condonation

Unauthorised expenditure for 2016/2017 is with regards to capital items budgeted for under repairs and maintenance, but had to be re-allocated to capital items as per GRAP requirements.

	2017 R (Actual)	2017 R (Budget)	2017 R (Variance - excluding grant funded expenditure)	2017 R (Unauthorised)
Expenditure by Vote				
Executive and Council	60 425 883	60 165 782	(9 739 879)	-
Budget and Treasury Office	19 267 115	21 000 343	(1 703 228)	-
Corporate Services	29 678 886	32 811 894	(3 233 007)	-
Sport and Recreation	10 905 390	11 068 576	(163 186)	-
Public Safety	29 062 746	29 753 308	(700 562)	-
Health	26 440 001	26 927 657	(487 656)	-
Planning and Development	9 776 408	10 518 440	(741 032)	-
Road Transport	146 189 884	146 384 000	(194 116)	-
Water	343 777	589 127	(245 350)	-
Waste Management	2 818 959	5 827 548	(2 908 589)	-
Environmental Protection	1 720 880	1 695 412	(174 532)	-
	326 728 731	347 020 187	(20 291 436)	-

Capital expenditure by vote

	2017 R (Actual)	2017 R (Budget)	2017 R (Variance)	2017 R (Unauthorised)
Executive & Council	3 198 846	3 653 000	(454 154)	-
Budget and Treasury Office	68 125	39 100	30 025	30 025
Corporate Services	1 276 324	1 040 800	235 524	235 524
Community and Social Services	1 570	-	1 570	1 570
Sport & Recreation	488 945	564 500	(75 555)	-
Planning & Development	12 116	-	12 116	12 116
Public Safety	507 135	817 100	(309 965)	-
Health	253 378	105 385	147 993	147 993
Environmental Protection	-	493 400	(493 400)	-
Waste Management	373 071	-	373 071	373 071
	6 180 510	6 713 295	(532 785)	800 288

47.2 Fruitless and wasteful expenditure

	2017 R	2016 R
Reconciliation of fruitless and wasteful expenditure		
Opening balance	1 873 745	2 922 485
Interest: Municipal accounts	-	19 653
Interest: SARS Penalties and fines	8 410	3 336
Fruitless and wasteful expenditure current year	-	1 124 711
Approved by Council to be written off	-	(2 196 442)
	1 882 155	1 873 745

The fruitless and wasteful expenditure of 2015/2016 relates to a Court settlement paid with regards to the Lefatshe legal matter. The fruitless and wasteful expenditure is still to be presented to Council for condonation.

A payment was made to Lefatshe in terms of a settlement agreement in the current financial year amounting to R13,000,000 exclusive of VAT. Council resolved that forensic investigators are to be appointed to investigate any irregularities and identify liable persons/officials.

47.3 Irregular expenditure

	2017 R	2016 R
Reconciliation of irregular expenditure		
Opening balance - previously reported	21 055 043	35 888 453
Irregular expenditure current year	31 680 358	10 820 102
Condoned or written off by Council	-	(25 653 811)
Recovered during year	-	-
Irregular expenditure awaiting condonement	-	-
	52 735 302	21 055 043

In 2016, the National Prosecution Authority has resolved that matter relating to the J Zeelle forensic investigation (relating to irregular expenditure of R456,000 incurred in prior years), will not be criminally prosecuted.

Irregular expenditure relating to the current financial year include splitting of orders and SCM/MFMA processes / legislative requirements not adhered to. A detailed register is available.

48

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

48.1 Contributions to organized local government

	2017 R	2016 R
Opening balance	-	-
Council subscriptions	50 012	45 574
Amount paid - current year	(50 012)	(45 574)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-

48.2 Audit fees

	2017 R	2016 R
Opening balance	-	-
Current year audit fee	2 830 982	2 849 043
Amount paid - prior year	(2 830 982)	(2 849 043)
Balance unpaid (included in creditors)	-	-

48.3 VAT

VAT input receivables and VAT outputs payable are shown in note 10 & 8.
All VAT returns have been submitted by the due date throughout the year.

48.4 PAYE AND UIF

	2017 R	2016 R
Opening balance	-	-
Current year payroll deductions	23 073 882	20 696 380
Amount paid - current year	(23 073 882)	(20 696 380)
Balance unpaid (included in debtors)	-	-



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

48

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

48.5 Pension and Medical Aid Deductions

Opening balance
Current year payroll deductions and Council Contributions
Amount paid - current year
Amount paid - previous years

Balance unpaid (included in debtors)

The balance represents medical aid contributions payable to the District Municipality by pensioners whose contributions were already paid to the medical aid. Invoices were issued to collect the outstanding amounts.

2017 R	2016 R
-	-
24 806 055	22 805 200
(24 806 055)	(22 805 200)
-	-

48.6 Councillor's arrears accounts

30 June 2017

The following amounts are outstanding regarding travel allowances:

AM Wildeman
JL Hartnick
J Bouwer
JMG Bekker
PJ Roodtman
SCP Billoh
HJ Loff
HJ Mo Combi
A Hartnick
JJA Koegelenberg
JE Davids
A Everts
J Harmse
CN Ngalo
FH Stemmet
B Le Roux
P van der Hoven
E Nel
PJW Murray
JST Alberts
AR Olivier
M Fielles
EKV van Eden
PJL Grobler
A Baartman
N Bityl
D Kampher
EN Mtabati
F Joseph
R Johannes
J Maxim

Total	Outstanding less than 90 days	Outstanding more than 90 days
846 349	-	846 349
574 780	-	574 780
306 661	-	306 661
331 790	-	332 171
292 541	-	292 541
114 888	-	139 025
108 853	-	110 224
104 476	-	111 719
87 313	-	87 313
68 690	-	68 690
61 852	-	51 852
50 180	-	53 308
44 529	-	44 529
32 031	-	32 078
30 538	-	30 538
28 996	-	28 996
26 222	-	26 222
17 853	-	17 853
15 497	-	15 497
13 993	-	13 993
-	-	-
10 781	-	10 308
9 293	-	9 293
8 657	-	8 657
7 548	-	7 548
4 648	-	4 648
994	-	994
1 496	-	1 496
354	-	354
1 953	-	1 953
8 747	-	8 747
3 282 451	-	3 336 204

30 June 2017

The following amounts are outstanding regarding cellphone accounts:

Billoh
D Kamfer
S Lollwe
Kroma
M Fielles
HJ McCombi
TME Gombo
S de Vries
Everts
J Kemoetie
JH Loff
J Maxim
Dorfling
CN Ngalo
E Mtabati
F Stemmet
J Bekker
TA Simmers

Total	Outstanding less than 90 days	Outstanding more than 90 days
-	-	-
18 633	-	18 633
17 893	-	17 893
8 945	-	8 945
9 853	-	9 853
8 328	-	8 328
5 496	-	5 496
3 073	-	3 073
3 148	-	3 148
1 711	-	1 711
1 370	-	1 370
1 067	-	1 067
912	-	912
847	-	847
1 496	-	1 496
801	-	801
381	-	381
2 038	-	2 038
85 906	-	85 906

30 June 2016

The following amounts are outstanding regarding travel allowances:

AM Wildeman
JL Hartnick
J Bouwer
JMG Bekker
PJ Roodtman
SCP Billoh
HJ Loff
HJ Mo Combi
A Hartnick
JJA Koegelenberg
JE Davids
A Everts
J Harmse
CN Ngalo
FH Stemmet
B Le Roux
P van der Hoven
E Nel
PJW Murray
JST Alberts
AR Olivier
M Fielles
EKV van Eden
PJL Grobler
A Baartman
N Bityl
D Kampher
EN Mtabati
F Joseph
R Johannes

Total	Outstanding less than 90 days	Outstanding more than 90 days
776 631	-	776 631
528 791	-	528 791
364 823	-	364 823
306 251	-	306 251
289 134	-	289 134
106 187	-	106 187
100 172	-	100 172
96 265	-	96 265
80 327	-	80 327
14 257	-	14 257
47 703	-	47 703
46 211	-	46 211
40 938	-	40 938
29 487	-	29 487
27 373	-	27 373
26 878	-	26 878
24 124	-	24 124
18 426	-	18 426
14 257	-	14 257
12 859	-	12 859
-	-	-
10 091	-	10 091
8 549	-	8 549
7 964	-	7 964
6 944	-	6 944
4 274	-	4 274
914	-	914
651	-	651
325	-	325
1 785	-	1 785
2 971 488	-	2 971 488

AUDITOR-GENERAL
2017 -11- 30
SOUTH AFRICA

EDEN DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)
30 June 2016

The following amounts are outstanding regarding cellphone accounts:

	Total	2017 R	Outstanding less than 90 days	2016 R	Outstanding more than 90 days
Biljohn	21 566	-	-	21 566	-
D Kamfer	17 017	-	-	17 017	-
S Lohwe	16 331	-	-	16 331	-
Kroma	8 169	-	-	8 169	-
M Fieles	7 619	-	-	7 619	-
HJ McCombi	6 472	-	-	6 472	-
Sealers	5 021	-	-	5 021	-
S de Vries	2 807	-	-	2 807	-
Eweris	2 813	-	-	2 813	-
J Kemocelle	1 563	-	-	1 563	-
JH Loff	1 224	-	-	1 224	-
J Maxim	971	-	-	971	-
Dorfling	833	-	-	833	-
CN Ngalo	846	-	-	846	-
E Mtabati	720	-	-	720	-
F Stemmet	716	-	-	716	-
J Bekker	341	-	-	341	-
Simmers	1 861	-	-	1 861	-
	96 889			96 889	

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents listed hereunder have been condoned.

Deviations from procurement processes in terms of section 38 of the Supply Chain Management Regulations were identified on the following categories:

	Up to R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Financial Services	216 677	188 415	-	-
Community Services	761 786	1 195 655	3 630 899	-
Office of the MM	41 569	127 991	-	-
Strategic Services	730 235	1 248 154	2 565 090	13 000 000
Technical Services	1 507 123	1 440 278	-	-
	3 257 390	4 198 494	6 195 989	13 000 000

The major deviations were as follows:

Awarded to	Reason/Explanation	Amount
Havcock Attorneys	Impractical Procurement Process	13 000 000
Working on Fire	Emergency	1 877 788
SALGA	Impractical Procurement Process	1 774 910
Southern Cape Fire Protection Association	Emergency	880 311
Working on Fire	Emergency	684 541
Business Engineering	Sole Supplier	246 100
Savannah Helicopters	Emergency	208 278
Working on Fire	Impractical Procurement Process	190 046
Abakus	Sole Supplier	184 297
Klein Keroo Kooperasie	Emergency	180 000
Total		19 205 252

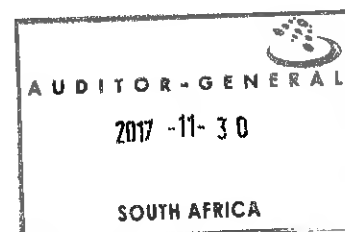
48.7 Trading with Employees in Service of the State

The following purchases were made from close family members of persons in the service of the state :

Supplier	Name	State Department	2017 R	2016 R
IGB Trading	NM Boumeester	Eden District Municipality	42 481	30 327
Shabby to Chlok	J Stander	Eden District Municipality	22 410	13 210
Piston Power Chemicals CC	Ulush Andhee	Nadira Andhee (wife) - employed by KZN Department of Education	423 476	73 279
Invusa Trading	Angeline Lekay	Herold Lekay - Oudshoorn Municipality (relationship not included in declaration)	68 510	105 434
Mubeko Africa (Pty) Ltd and MooreStephens MO Inc - Consortium	B Holtshauzen	B Holtshauzen - Executive Manager Corporate/Strategic Services Eden District Municipality	2 611 040	3 319 431
Zoolies Alien Control Services	A Wildeman (Roads)	Eden District Municipality	-	28 215
			3 167 917	3 689 687

The following purchases were made from Suppliers whose shareholders is in service of the state:

Supplier	Employee	State Department	2017 R	2016 R
Lezmin Quarries	J Pieterse - Director	SAPS	2 270 987	-
Southern Cape Fire Protection Association	G Otto - Director	Eden District Municipality	271 480	1 325 021
			2 542 467	1 325 021



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

40	CONTINGENT LIABILITY	2017 R	2016 R
40.1	Theunis Barnard / Eden DM / September January		
	We received a summons from Calmarz Incorporated, with regards to an accident that happened on 5 February 2010. The driver of the vehicle was September January and at the time of the accident employed at Eden District Municipality. The vehicle had the registration number PA 175 129. This matter was referred to their insurance company. Notice of intention to defend was issued. The matter is currently not resolved.	38 231	38 231
40.2	F du Toit / DL du Plooy / Eden DM		
	Dr du Toit and his fiancé went on vacation at Victoria Bay Camp Site. They were robbed of valuable items. Therefore they are suing Eden DM for damages. This case was referred to Millers Attorneys. A notice of intention to defend was issued. Millers recommend that Advocate Schmidt be appointed in this matter. The Municipal Manager signed the disclosure statement and it was sent to Millers for further action. Matter currently not resolved.	376 750	376 750
40.3	Lefatshe - Computer Systems		
	Eden District Municipality entered into an agreement with Lefatshe Technologies (Pty) Ltd whereby they will provide the municipality with an integrated information technology system. On or about 31 August 2011 Lefatshe submitted an account to the amount of R1,643,174.61 for certain services rendered. The Municipal Manager informed Lefatshe in writing of Council's decision to investigate the Lefatshe tender and that the contract is on hold pending the investigation of the forensic investigation. There was a summons served on Eden District Municipality on 8 November 2014. The amount claimed is being disputed. This forms part of a R23,449,235.67 contract. Lefatshe Technologies were liquidated and on 10 March 2015, Raubenheimers informed Eden District Municipality that the liquidators want to continue with the claim from the claimant. The arbitration award dated 11 December 2015 stated that Eden District Municipality is liable to pay the claimant the amount of R1,643,174.61 together with interest. This amount has been paid (R2,747,770.60) on 11 February 2016. The claimant has indicated an amount of R9,329,213.00 plus interest. This matter was settled in the amount of R13 million rand. VAT is payable to Lefatshe in the amount of R1.8 million rand. After the payment of VAT, this matter will be finalised.	-	9 329 213
40.4	Hoogbeerd / Delo vs. Eden DM / GW Louw		
	A joint summons against Eden DM and Mr GW Louw alleged defamation of character. They claim an amount of R 300 000.00 each. The Council appointed Attorneys to defend the case. There is no further movement on the file and the opposition have not applied for a hearing date. The opposition must decide the way forward, Eden will not incur unnecessary costs. This case is dormant. There is no prospect of success and claimants might decide to withdraw.	600 000	600 000
40.5	I Gerber N.O and others / Eden DM and P McKenzie		
	The Cape Town High Court issued a court order against Eden District Municipality. In terms of the said order each party is liable for its own costs in respect of the said Application. In addition the court ordered the Applicant to bring a court application on or before the 31st of July 2013, in order to review Eden DM's decision to lease Part 4 of the farm Woodville 172, Division George to Peter McKenzie (the second Respondent), which will have further cost implications for Eden DM. Lastly instructions were issued that a lease be drafted in the interim between the relevant parties. Eden District Municipality obtained an eviction order against Gerber.	21 840	21 840
40.6	Possible Dispute with B-Municipalities Regarding Properties Registered in Eden District Municipality's Name		
	The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local municipalities have disputed that these properties can in fact be disposed since it was supposed to be transferred to them because the assets were supposed to follow the function and since Eden are not fulfilling some of these anymore the local municipalities are claiming these properties. The Municipality intends to dispute this claim.	66 088 327	66 163 662
40.7	Andrew de Wet vs Eden District Municipality		
	Mr De Wet instituted a claim against Eden DM. He drove through a pothole with his bicycle. He sustained serious head and facial injuries and damage to his bicycle.	614 675	-
40.8	Barry Louis Rae Trust / Fann Uitvlugt 269 Fire		
	Claim for damages as a result of the fire that spread (29 August until 1 September 2016)	4 500 000	-
40.9	Combined Summons: Loxington Bithemile Stone vs Eden DM		
	Car accident that occurred. This matter was referred to Province.	43 272	-
40.11	Combined Summons: Banger Car Hire vs Eden DM		
	Car accident that occurred. This matter was referred to Province.	18 800	-
40.12	Unifondale Correction Facility on behalf of Department of Public works		
	Electricity consumption for 2006 - 2011. A claim of R8.3 m has been received. The matter is currently still in process.	8 323 662	8 323 662
40.13	MR Michaels		
	A dispute has been lodged against the Eden District Municipality by Mr MR Michaels. The applicant was re-appointed on numerous fixed term contracts as a temporary fire fighter. He is now demanding a permanent appointment. The difference between his annual cost to company on a fixed term contract versus a contract appointment, amounts to R40,172 per annum. He was subsequently appointed from 1 April 2016. He declared another dispute regarding the date of his permanent appointment. He claims it must be 1 January 2016. The financial implication is minimal, his salary package for three months.	-	-
40.14	Keyser, Doornfontein Farm 32 George		
	A legal dispute has been lodged against the Eden District Municipality by Mr Keyser regarding Farm 32 George Doornfontein regarding the ownership of the property. At this stage, Eden District Municipality is awaiting correspondence from the applicants attorney Mr James King form Oudshoorn.	-	639 201
40.15	Tommy de Bruyn		
	This matter was finalised by Eden District Municipality and the stated amount was paid to Mr. de Bruyn.	268 967	268 967
40.16	K Langeveld		
	Unfair labour practice. This matter was finalised by Eden District Municipality and a request for payment was done by Labour Relations on 7 July 2017. The money that was paid to M. Langeveld was R382 993.32.	382 993	316 819
40.17	V Gouws / Mc Master / Taylor		
	Unfair dismissal of V Gouws, Mc Master & Taylor. The process for Mc Master is finalised with a possible settlement of R263,000. V Gouws and Taylor are busy with the arbitration process with a possible claim of R263,000 each. The following amounts were paid to the employees after the arbitration as awarded by the commissioner - V Gouws R34,688, Mc Master R129,888 and Taylor R34,888.25	-	679 000
40.18	JL du Preez		
	Unfair dismissal. Arbitration on this matter is still to be held. Estimated claim is based 12 months compensation (R142 611.12 x 12)	1 711 333	-
		84 988 851	89 157 345
50	IN-KIND DONATIONS AND ASSISTANCE		
	The Municipality received the following services in-kind:		
	Name	R	R
	Value of service received	Value of service received	
	Mr. John Krut (Advisor on National Treasury GTAC program)	682 800	1 000 000
	Miss. Elandie Terblanche (Intern from Western Cape Provincial Treasury)	226 000	49 070
	Mr. Eduard Lotz (Advisor on Municipal Infrastructure Support Agent Program)	134 784	247 437
		1 043 584	1 296 507



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

51 EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after reporting date.

52 RELATED PARTY TRANSACTIONS

52.1 Related Party Transactions

Year ended 30 June 2017

Mubesko Africa CC
B Holtheuizen (Eden District Municipality's Executive Manager Corporate/Strategic Services) daughter works for Mubesko Africa (Pty) Ltd. Eden District Municipality received GRAP and mSCOA support services from Mubesko Africa.

Year ended 30 June 2016

Mubesko Africa CC
B Holtheuizen (Eden District Municipality's Executive Manager Corporate/Strategic Services) daughter works for Mubesko Africa (Pty) Ltd. Eden District Municipality received GRAP support services from Mubesko Africa.

Service Charges	Outstanding balances
1 472 369	1 124 950
1 124 950	611 268

52.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are no longer permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 16 to the Annual Financial Statements.

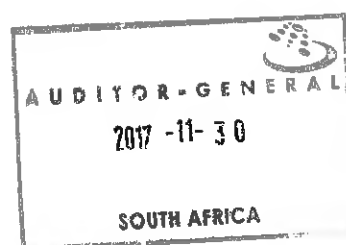
52.3 Related Parties

The following are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any executive manager of Eden District Municipality:

- * Executive Mayor
- * Speaker
- * Mayoral Committee members
- * Councillors
- * Municipal Manager
- * Executive Manager: Finance
- * Executive Manager: Corporate / Strategic Services
- * Executive Manager: Technical Services
- * Executive Manager: Community Services

Their short term employee benefits are disclosed in notes 23 & 24





EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 RISK EXPOSURES

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

Price risk

The municipality is not exposed to price risk.

Interest Rate Risk

As the municipality has does not have significant interest-bearing liabilities, the entity's income and operating cash flows are not substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follows:

1% (2015 - 1%) Increase in interest rates
0.5% (2015 - 0.5%) Decrease in interest rates

2017 R	2016 R
1 767 (863)	1 682 (841)

Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of fire fighting fees and rental agreements. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 17 & 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2017 %	2017 R	2016 %	2016 R
Ambulance and Fire Fighting Fees	51.44%	5 814 719	54.43%	5 891 693
Councillors' Arrears (Refer to Note A on next page)	30.27%	3 421 941	0.00%	3 127 222
Rental Agreements	8.37%	945 698	6.69%	724 597
Taxes - Rates	2.87%	302 185	0.00%	-
TASK Contributions and Atmospheric Licence Applications	0.00%	-	0.00%	-
Sundry debtors	7.28%	820 193	9.99%	1 081 600
	100.00%	11 304 678	71.11%	10 825 112

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (FNB, Nedbank, ABSA and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

Trade receivables - Exchange transactions
Other receivables - Non exchange transactions
Short term Investment Deposits
Bank Balances and Cash

Maximum Credit Risk Exposure

Debtors past due date no impaired

31-60 days
61-90 days
91-120 days
121-365 days
+365 days

2017 R	2016 R
5 487 669	3 415 421
6 565 896	1 674 161
150 631	142 137
141 584 491	165 254 849
153 808 686	190 686 558
5 142 410	119 461
97 572	-
9 607	160 625
4 048 452	3 676 396
1 108 180	1 188 237
10 406 222	5 435 620

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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RISK EXPOSURES (CONTINUED)

2017	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Trade and Other Payables	11 215 908	-	-	-
Unspent conditional government grants and receipts	4 534 880	-	-	-
	15 750 788	-	-	-
2016	Less than 1 year	Between 1 and 5 years	Between 1 and 5 years	Over 10 Years
Trade and Other Payables	12 653 795	-	-	-
Unspent conditional government grants and receipts	17 480 353	-	-	-
	30 143 157	-	-	-

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FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial assets of the municipality are classified as follows:

Financial Asset	Classification	2017 R	2016 R
Service debtors	Financial instruments at amortised cost	5 487 668	3 415 421
Other Debtors			
Roads - Sundry debtors	Financial instruments at amortised cost	373 113	824 459
Sundry debtors	Financial instruments at amortised cost	1 098 575	1 555 704
Recoverable Debtors	Financial instruments at amortised cost	157 112	163 916
Non-current Investments			
Non-current Investment	Financial instruments at amortised cost	26 027	26 027
Short term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	150 631	142 137
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	141 698 808	155 243 616
Cash Floats and Advances	Financial instruments at amortised cost	15 663	11 293
Total Financial Assets		148 878 616	161 382 512
SUMMARY OF FINANCIAL ASSETS			
Financial instruments at amortised cost		148 878 616	161 382 512
		148 878 616	161 382 512
Financial Liability			
Non-Current Liabilities			
Long-term Liabilities	Financial instruments at amortised cost	-	-
Current Liabilities			
Trade and other payables	Financial instruments at amortised cost	11 215 908	12 653 795
Current portion of long-term liabilities	Financial instruments at amortised cost	-	-
Total Financial Liabilities		11 215 908	12 653 795
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost		11 215 908	12 653 795
		11 215 908	12 653 795

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STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes		
Vat Receivable	2 751 044	33 045
Receivables from Non-Exchange Transactions		
Fines	-	-
	2 751 044	33 045

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PUBLIC PRIVATE PARTNERSHIP

Eden District Municipality is in the process of concluding a Public Private Partnership with regards to the establishment of the regional landfill site in Mossel Bay. The land has been purchased during 2014/2015, the erection of the landfill site will be done by concluding a Public Private Partnership. The closing date for the submission of the tenders for the Public Private Partnership was 31 July 2015, but has been extended as the relevant SCM / MFMA processes have not been concluded. A Provincial Oversight Committee has been established to oversee the process and progress. It is envisioned that the erection of the landfill site will commence on 1 July 2017. The total cost per year is estimated at R60 million per annum.

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NON-COMPLIANCE WITH THE MFMA

In terms of Section 65(2)(e) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), Some Creditors were not paid within 30 days.
In terms of Section 57 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), Donations to organisations outside government.

2017 R	2016 R
	5 567 519
	5 000




**EDEN DISTRICT MUNICIPALITY
ANNEXURE A
SCHEDULE OF EXTERNAL LOANS
FOR THE YEAR ENDED 30 JUNE 2017**

EXTERNAL LOANS	Loan No.	Redeemable	Balance 30/06/2016 R	Received during the period R	Redeemed or written off R	Balance 30/06/2017 R	Carrying Value of Property, Plant and Equipment R	Other Costs In accordance with the MFMA
DBSA LOANS			-	-	-	-	-	-
Loan: 10130/102 (10% interest rate, six monthly installments of R 25 669.04 with the final payment on 30/09/2015)								
Loan: 10132/102 (10% interest rate, six monthly installments of R 184 150.24 with the final payment on 31/03/2016)								
Loan: 10129/202 (10% interest rate, six monthly installments of R 130 001.34 with the final payment on 30/09/2015)								
Loan: 10131/102 (10% interest rate, six monthly installments of R 193 023.80 with the final payment on 30/09/2015)								
			-	-	-	-	-	-
LEASE LIABILITY								
Office Equipment @ average of 12%			-	-	-	-	-	-
TOTAL EXTERNAL LOANS			-	-	-	-	-	-



ANNEXURE B
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Description	Provider	2017 Financial Year						Closing Balance 30-Jun-17	Unspent	Unpaid
		1 July 2016 Opening balance	Correction of Error	Restated Opening balance	Receipts Grants received	Expenditure Operating	Repaid to National Revenue Fund			
Municipal Systems Improvement Grant (MSIG)	National Government Grants	9 516	-	9 516	-	-	-	-	-	-
Equitable Share	National Government Grants	28 433	-	-	142 083 379	142 083 379	9 516	-	-	-
Dpt Land Affairs: District Assessment Committee	Provincial Government Grants	(25 242)	(28 433)	(25 242)	-	-	-	-	-	-
Local Government Financial Management Grant (FMG)	National Government Grants	480 910	-	480 910	1 250 000	1 171 483	-	53 275	-	-
LGEST: A-Ro-Incentives	Other Grant Providers	76 317	-	76 317	157 284	-	-	638 194	638 194	-
Buckler system Elimination School/Clinic	Provincial Government Grants	-	-	-	-	-	-	-	-	-
Regional Landfill Site	Other Grant Providers	-	-	-	-	-	-	-	-	-
Expanded Public Works Incentives	National Government Grants	(16 846)	-	(16 846)	2 312 819	732 703	-	1 580 117	1 580 117	-
Task Contributions - Municipalities	Other Grant Providers	152 169	-	152 169	1 000 000	978 174	-	5 180	-	-
WC FMG Assistance	Provincial Government Grants	73 516	-	73 516	190 054	246 365	-	95 918	95 918	-
WOFMG: GRADUATE INTERNSHIP	Provincial Government Grants	-	-	-	60 000	-	-	-	-	-
WC FMG: Financial Management System mSCOA	Provincial Government Grants	-	-	-	120 000	101 108	-	60 000	60 000	-
(External Municipal Budgetary Programme)	Provincial Government Grants	-	-	-	-	-	-	679	19 213	19 213
DWA: Abstraction Validation on Blou	Provincial Government Grants	35 589	-	35 589	-	-	-	35 589	-	-
RBIG & DBSA: Bulk Water Infrastructure	Other Grant Providers	633 910	-	633 910	-	-	-	633 910	633 910	-
Integrated Transport	National Government Grants	(282 822)	-	(282 822)	-	-	-	(282 822)	-	-
Municipal Disaster Recovery	Provincial Government Grants	652 742	-	652 742	-	-	-	652 742	-	252 822
Mandela Memorial Celebrations	National Government Grants	7 367 185	-	7 367 185	-	-	-	7 367 185	-	-
Nelson Mandela Biosphere Reserve Project	Provincial Government Grants	136 250	-	136 250	-	-	-	136 250	-	-
Kuyana Relief Fund	Other Grant Providers	20 000	(20 000)	-	-	-	-	-	-	-
Baile Project	Other Grant Providers	-	-	-	984 111	-	-	-	-	-
WC FMG Allocations	Provincial Government Grants	11 845	-	11 845	-	-	-	11 845	884 111	-
Rural Roads Asset Management Systems	Provincial Government Grants	214 938	-	214 938	220 000	297 887	-	110 024	-	-
TOTALS	National Government Grants	2 278 721	-	2 278 721	2 384 000	1 686 682	-	2 278 721	524 419	-
		11 876 331	(48 433)	11 826 898	180 751 647	147 328 710	-	10 748 366	4 534 852	252 822
CAPITAL PROJECTS										
DME GRANTS										
Electricity Demand Side Management	National Government Grants	5 367 955	-	5 367 955	-	-	-	5 367 955	-	-
TOTALS		5 367 955	-	5 367 955	-	-	-	5 367 955	-	-
TOTAL CAPITAL BALANCES										
		5 367 955	-	5 367 955	-	-	-	5 367 955	-	-
UNSPENT BALANCES END OF REPORTING PERIOD										
		17 243 286	(48 433)	17 194 853	190 751 647	147 328 710	-	16 117 480	4 534 852	252 822
Consolidated MIG Projects										
Consolidated FMG Projects		5 439 467	-	-	-	-	-	-	-	-
Consolidated MSIG Projects		(1 032 878)	-	-	1 250 000	1 171 483	-	6 889 467	6 889 467	-
		-	-	-	-	-	-	(2 204 161)	-	2 204 161


AUDITOR-GENERAL
 2017 -11-30
 SOUTH AFRICA

**APPENDIX C(1) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2016/2017							2015/2016
	Original Budget	Budget Adjustments (L.O. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Revised Audited Outcome
R thousand								
Revenue - Standard								
<i>Governance and administration</i>	178 268	3 660	179 928	172 623	(7 306)	95.9%	97.9%	180 320
Executive and council	175 765	3 027	178 792	172 454	(6 338)	96.5%	98.1%	180 320
Budget and treasury office	-	-	-	2	2	#DIV/0!	#DIV/0!	-
Corporate services	603	633	1 136	168	(970)	14.8%	33.0%	-
<i>Community and public safety</i>	6 485	-	6 485	7 234	749	111.5%	111.5%	6 815
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	6 288	-	6 288	7 000	712	111.3%	111.3%	6 573
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	197	-	197	234	37	118.5%	118.5%	242
<i>Economic and environmental services</i>	132 155	12 000	144 155	159 826	15 671	110.9%	120.9%	160 865
Planning and development	-	-	-	-	-	-	-	10
Road transport	132 000	12 000	144 000	159 611	15 611	110.8%	120.9%	160 733
Environmental protection	155	-	155	215	60	138.7%	138.7%	122
<i>Trading services</i>	-	3 168	3 168	-	(3 168)	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	3 168	3 168	-	(3 168)	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue - Standard	314 906	18 628	333 736	339 683	5 946	101.8%	107.9%	347 998
Expenditure - Standard								
<i>Governance and administration</i>	93 648	20 430	114 077	98 402	(14 676)	87.1%	106.1%	85 143
Executive and council	38 229	21 937	60 166	50 428	(9 740)	83.8%	131.9%	37 185
Budget and treasury office	22 124	(1 123)	21 000	19 297	(1 703)	91.9%	87.2%	19 907
Corporate services	33 295	(384)	32 911	29 679	(3 232)	90.2%	89.1%	28 971
<i>Community and public safety</i>	66 080	1 670	67 751	68 398	(1 353)	98.0%	100.5%	75 072
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	12 731	(1 663)	11 068	10 905	(163)	98.5%	85.7%	9 718
Public safety	25 501	4 259	29 754	29 053	(701)	97.6%	113.9%	37 211
Housing	-	-	-	-	-	-	-	-
Health	27 848	(920)	26 928	26 440	(488)	98.2%	94.9%	26 143
<i>Economic and environmental services</i>	147 013	11 783	158 776	157 666	(1 110)	99.3%	107.2%	156 607
Planning and development	10 787	(271)	10 517	9 775	(741)	93.0%	90.6%	8 088
Road transport	134 364	12 000	146 364	146 170	(195)	99.9%	108.8%	146 333
Environmental protection	1 861	34	1 895	1 721	(174)	90.8%	92.5%	2 206
<i>Trading services</i>	2 735	3 682	6 417	3 263	(3 154)	50.8%	119.3%	3 254
Electricity	-	-	-	-	-	-	-	-
Water	850	(261)	589	344	(245)	58.4%	40.4%	823
Waste water management	-	-	-	-	-	-	-	-
Waste management	1 884	3 943	5 828	2 919	(2 909)	50.1%	154.9%	2 431
Other	-	-	-	-	-	-	-	-
Total Expenditure - Standard	309 475	37 546	347 021	326 729	(20 292)	94.2%	105.6%	320 076
Surplus/(Deficit) for the year	5 433	(18 717)	(13 284)	12 954	26 238	-97.5%	236.4%	27 923



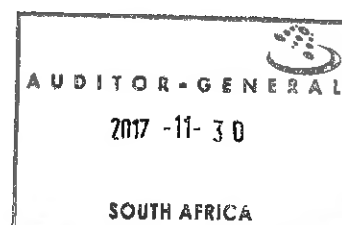
**APPENDIX C(2) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description R thousand	2016/2017							2015/2016
	Original Budget	Budget Adjustments (Lia. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual	Actual Outcome as %	Actual Outcome as %	Revised Audited Outcome
Revenue by Vote								
Executive and Council	176 765	3 027	178 792	172 454	(6 338)	96.5%	98.1%	180 320
Budget and Treasury Office	-	-	-	2	2	#DIV/0!	#DIV/0!	-
Corporate Services	503	633	1 136	166	(970)	14.6%	33.0%	-
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	6 288	-	6 288	7 000	712	111.3%	111.3%	6 573
Public Safety	-	-	-	-	-	-	-	-
Health	197	-	197	234	37	118.5%	118.5%	242
Planning and Development	-	-	-	-	-	-	-	10
Road Transport	132 000	12 000	144 000	189 811	15 811	110.8%	120.9%	180 738
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	3 168	3 168	-	(3 168)	-	-	-
Environmental Protection	155	-	155	215	60	138.7%	138.7%	122
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
Total Revenue by Vote	314 988	18 828	333 738	339 883	5 945	101.8%	107.9%	347 888
Expenditure by Vote to be appropriated								
Executive and Council	38 229	21 937	60 166	50 426	(9 740)	83.8%	131.9%	37 165
Budget and Treasury Office	22 124	(1 123)	21 000	18 297	(1 703)	91.9%	87.2%	19 807
Corporate Services	33 285	(388)	32 912	29 679	(3 233)	90.2%	89.1%	28 071
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	12 731	(1 683)	11 069	10 805	(163)	98.5%	85.7%	9 718
Public Safety	25 601	4 252	29 753	29 053	(701)	97.6%	113.9%	37 214
Health	27 646	(820)	26 826	26 440	(486)	98.2%	94.9%	28 143
Planning and Development	10 787	(271)	10 516	9 776	(741)	93.0%	90.8%	8 089
Road Transport	134 384	12 000	146 384	146 170	(194)	99.9%	106.8%	148 338
Electricity	-	-	-	-	-	-	-	-
Water	850	(261)	589	344	(245)	58.4%	40.4%	823
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	1 884	3 943	5 828	2 948	(2 880)	50.1%	154.8%	2 431
Environmental Protection	1 861	34	1 895	1 721	(175)	90.8%	92.5%	2 206
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
Total Expenditure by Vote	309 475	37 845	347 320	338 729	(8 591)	94.2%	105.8%	329 076
Surplus/(Deficit) for the year	5 513	(18 717)	(13 584)	12 854	26 235	-87.9%	238.4%	27 923



**APPENDIX C(3) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
REVENUE AND EXPENDITURE**

Description R thousand	2016/2017							2015/2016
	Original Budget	Budget Adjustments (L.to. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue By Source								
Property rates	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 424	-	1 424	650	(774)	45.6%	45.6%	1 283
Interest earned - external investments	7 974	2 800	10 774	12 927	2 153	120.0%	182.1%	10 793
Interest earned - outstanding debtors	799	-	799	1 177	377	147.2%	147.2%	1 106
Dividends received	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Licences and permits	155	-	155	215	60	138.7%	138.7%	122
Agency services	14 500	600	15 000	15 162	162	101.1%	104.8%	-
Transfers recognised - operating	146 708	-	146 708	147 547	839	100.6%	100.6%	160 337
Other revenue	143 347	15 529	158 876	162 006	3 130	102.0%	113.0%	174 358
Gains on disposal of PPE	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	314 988	18 829	333 736	339 683	5 946	1772.5%	107.9%	347 989
Expenditure By Type								
Employee related costs	105 720	373	106 093	173 047	66 953	163.1%	163.7%	166 622
Remuneration of councillors	6 448	(804)	7 844	9 421	1 577	120.1%	111.5%	7 762
Debt impairment	1 060	-	1 060	4 376	3 316	412.8%	412.8%	7 347
Depreciation & asset impairment	4 087	(417)	3 670	3 106	(564)	84.6%	76.0%	3 290
Finance charges	-	-	-	8	8	#DIV/0!	#DIV/0!	200
Bulk purchases	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-
Contracted services	11 214	6 484	17 698	30 348	12 650	171.5%	270.6%	27 150
Transfers and grants	-	-	-	1 315	1 315	#DIV/0!	#DIV/0!	825
General Expenses	338 579	(125 623)	210 655	194 839	(105 817)	46.8%	31.1%	106 617
Loss on disposal of PPE	-	-	-	269	269	#DIV/0!	#DIV/0!	123
Total Expenditure	467 107	(120 686)	347 021	326 729	(20 292)	-289.0%	69.9%	320 076
Surplus/(Deficit)	(152 200)	138 915	(13 285)	12 954	26 239	-97.5%	-8.5%	27 923
Transfers recognised - capital	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(152 200)	138 915	(13 285)	12 954	26 239	-97.5%	-8.5%	27 923



**APPENDIX C(4) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description	2016/2017							2015/2016
	Original Budget	Budget Adjustments (L.O. MFMA s28)	Final adjusted budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Revised Actual Outcome
R thousand								
Capital expenditure - Vote								
Multi-year expenditure								
Executive and Council	1 690	1 663	3 653	-	(3 653)			
Budget and Treasury Office	-	36	36	-	(36)			
Corporate Services	405	636	1 041	-	(1 041)			
Community and Social Services	-	-	-	-	-			
Sport and Recreation	1 670	(1 306)	565	-	(565)			
Public Safety	970	(153)	817	-	(817)			
Road Transport	-	-	-	-	-			
Electricity	-	-	-	-	-			
Water	-	-	-	-	-			
Waste Water Management	-	-	-	-	-			
Waste Management	-	-	-	-	-			
Environmental Protection	480	13	493	-	(493)			
Health	-	105	105	-	(105)			
Example 14 - Vote 14	-	-	-	-	-			
Example 15 - Vote 15	-	-	-	-	-			
Capital multi-year expenditure	5 415	1 296	6 713	-	(6 713)			
Single-year expenditure								
Executive and Council	-	-	-	3 189	3 189	#DIV/0!	#DIV/0!	7
Budget and Treasury Office	-	-	-	86	86	#DIV/0!	#DIV/0!	13
Corporate Services	-	-	-	1 276	1 276	#DIV/0!	#DIV/0!	873
Community and Social Services	-	-	-	2	2	#DIV/0!	#DIV/0!	26
Sport and Recreation	-	-	-	489	489	#DIV/0!	#DIV/0!	100
Public Safety	-	-	-	507	507	#DIV/0!	#DIV/0!	734
Planning and development	-	-	-	12	12	#DIV/0!	#DIV/0!	
Health	-	-	-	253	253	#DIV/0!	#DIV/0!	82
Road Transport	-	-	-	-	-			
Electricity	-	-	-	-	-			
Water	-	-	-	-	-			
Waste Water Management	-	-	-	-	-			
Waste Management	-	-	-	373	373	#DIV/0!	#DIV/0!	
Environmental Protection	-	-	-	-	-			
Other	-	-	-	-	-			
Example 14 - Vote 14	-	-	-	-	-			
Example 15 - Vote 15	-	-	-	-	-			
Capital single-year expenditure	-	-	-	6 181	6 181	#DIV/0!	#DIV/0!	2 917
Total Capital Expenditure - Vote	5 415	1 296	6 713	6 181	(533)	82%	114%	2 917
Capital Expenditure - Standard								
Governance and administration	2 095	2 636	4 733	4 544	(189)	96.0%	216.8%	1 683
Executive and council	1 690	1 663	3 653	3 189	(464)	87.0%	189.2%	7
Budget and treasury office	-	36	36	86	30	178.8%	#DIV/0!	13
Corporate services	405	636	1 041	1 276	236	122.6%	315.1%	873
Community and public safety	2 840	(1 383)	1 457	1 281	(236)	84.1%	44.1%	326
Community and social services	-	-	-	2	2	#DIV/0!	#DIV/0!	26
Sport and recreation	1 670	(1 306)	565	489	(76)	86.6%	26.1%	100
Public safety	970	(153)	817	507	(310)	62.1%	52.3%	734
Housing	-	-	-	-	-			
Health	-	105	105	253	148	240.4%	#DIV/0!	82
Economic and environmental services	480	13	493	12	(481)	2.5%	2.5%	
Planning and development	-	-	-	12	12	#DIV/0!	#DIV/0!	
Road transport	-	-	-	-	-			
Environmental protection	480	13	493	-	(483)			
Trading services	-	-	-	373	373	#DIV/0!	#DIV/0!	
Electricity	-	-	-	-	-			
Water	-	-	-	-	-			
Waste water management	-	-	-	-	-			
Waste management	-	-	-	373	373	#DIV/0!	#DIV/0!	
Other	-	-	-	-	-			
Total Capital Expenditure - Standard	5 415	1 296	6 713	6 181	(533)	82%	114%	2 917
Funded by:								
National Government	-	-	-	-	-			544
Provincial Government	-	-	-	-	-			
District Municipality	-	-	-	-	-			
Other transfers and grants	-	-	-	-	-			
Transfers recognised - capital	-	-	-	-	-			544
Public contributions & donations	-	-	-	-	-			29
Borrowing	-	-	-	-	-			
Internally generated funds	5 415	1 296	6 713	6 181	(533)	82.1%	114.1%	1 444
Total Capital Funding	5 415	1 296	6 713	6 181	(533)	82%	114%	2 917



**APPENDIX C(5) - Unaudited
EDEN DISTRICT MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
CASH FLOWS**

Description R thousand	2016/2017							2015/2016
	Original Budget	Budget Adjustments (L.O. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts					-	-	-	
Other receipts	158 427	33 820	193 347	154 746	(38 601)	80.0%	97.1%	190 480
Government - operating	146 708	(17 082)	129 616	147 547	17 931	113.8%	100.6%	158 793
Government - capital	-	-	-	-	-	-	-	544
Interest	8 773	2 001	10 774	14 103	3 330	130.9%	160.8%	11 899
Dividends	-	-	-	-	-	-	-	-
Payments					-	-	-	
Suppliers and employees	(300 475)	(33 876)	(343 351)	(322 716)	20 635	94.0%	104.3%	(312 048)
Finance charges	-	-	-	(8)	(8)	#DIV/0!	#DIV/0!	(200)
Transfers and Grants	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 433	(15 048)	(9 615)	(6 328)	3 286	65.6%	-116.5%	50 474
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts					6 573	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	1
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	(169)	(169)	#DIV/0!	#DIV/0!	(3 491)
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments					-	-	-	
Capital assets	(5 415)	(1 288)	(6 713)	(6 181)	533	92.1%	114.1%	(1 988)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 415)	(1 288)	(6 713)	(6 350)	364	94.6%	117.3%	(5 478)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts					-	-	-	
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments					727	-	-	
Repayment of borrowing	-	-	-	-	-	-	-	(682)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	(682)
NET INCREASE/ (DECREASE) IN CASH HELD	18	(16 348)	(16 328)	(12 678)	1 620	12.7%	10.1%	44 314
Cash/cash equivalents at the year begin:	148 539	-	148 539	165 397	16 858	11.3%	7.9%	111 083
Cash/cash equivalents at the year end:	148 657	(16 348)	132 211	142 719	10 508	107.8%	98.1%	165 397

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